HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

SIX MONTHS FINANCIAL REPORT

For the period
from January 1, 2015 to June 30, 2015

(TRANSLATED FROM THE GREEK ORIGINAL)

In accordance with Article 5 of Law 3556/2007

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I. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

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

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

1. Michael Tsamaz, Chairman and Managing Director

2. Charalampos Mazarakis, Board Member and OTE Group Chief Financial Officer

3. Panagiotis Tabourlos, Board Member

We confirm that to the best of our knowledge:

a. The Interim Condensed Financial Statements (Consolidated and Separate) of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. for the period January 1, 2015 to June 30, 2015, which have been prepared in accordance with the applicable accounting standards, provide a true and fair view of the assets and liabilities, the owners' equity and the results of the Group and the Company.

b. The Board of Directors' Report for the first half of the year provides a true and fair view of the financial position and the performance of the Group and the Company, including a description of the main risks and uncertainties they are facing.

Maroussi, August 5, 2015

Chairman & Managing Director	Board Member & OTE Group Chief Financial Officer	Board Member
Michael Tsamaz	Charalampos Mazarakis	Panagiotis Tabourlos

The two members of the Board of Directors, who have signed the above statements, have been authorized to do so in accordance with the decision of the Company's Board of Directors of August 5, 2015.

II. HALF YEAR REPORT OF THE BOARD OF DIRECTORS

The report of the Board of Directors of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (hereinafter referred to as "OTE" or the "Company") was prepared in accordance with article 5 of Law 3556/2007 and refers to the Interim Condensed Financial Statements (Consolidated and Separate) as of June 30, 2015 and for the six month period then ended. The OTE Group (the "Group") apart from the Company also includes subsidiaries over which OTE has direct or indirect control. The Consolidated and Separate Financial Statements have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), as adopted by the European Union (E.U.).

This report includes the financial assessment of the results of the period from January 1, 2015 to June 30, 2015, the significant events which took place in the first half of 2015, a presentation of the main risks and uncertainties for the second half of the year, the significant transactions with the Group's and the Company's related parties and the significant events that took place after the end of the first half of 2015.

The amounts in this report are presented in millions of Euro, except when otherwise indicated.

A. FINANCIAL HIGHLIGHTS OF THE 1st HALF OF 2015

OTE Group revenue decreased by 1.0% in the first half of 2015 compared to the related period of 2014 and reached Euro 1,894.3, mainly due to:

- decreased revenues from mobile business by 5.4%,
- decreased revenues from fixed business by 0.4%,
- partially offset by increased miscellaneous other revenues by 57.1%.

OTE's revenue reached Euro 746.6, reflecting an increase of 0.5% compared to the same period last year. This is a result of the increase in revenues from fixed business by 0.2% and the increase in revenues from mobile business by 63.0%, partially offset by the decrease in miscellaneous other revenues by 7.1%.

The Group's operating expenses reached Euro 1,765.1 and reflect an increase of 6.2% compared to the same period last year. This increase is mainly due to the increase in interconnection and roaming costs by 3.4%, in provision for doubtful accounts by 5.0%, in device costs by 6.6%, in maintenance and repairs by 4.2%, in marketing by 1.7%, in other operating expenses by 0.4%, in depreciation amortization and impairment by 1.3% and most significantly due to the costs related to early retirement programs of Euro 85.7. These increases were partially offset by the decrease in personnel costs by 2.1% and the decrease in commission costs by 1.0%. **The Group's operating expenses before depreciation, amortization and impairment and excluding costs related to early retirement programs and other restructuring costs** reached Euro 1,275.3 compared to Euro 1,261.0 in the same period last year, reflecting an increase of 1.1%.

The Company's operating expenses reached Euro 680.8 in the first half of 2015 and reflect an increase of 13.4% compared to the same period last year. The increase is mainly due to the following:

- costs related to early retirement programs of Euro 78.5,
- 3.7% increase in personnel costs,
- 3.0% increase in depreciation, amortization and impairment,
- 51.2% increase in commission costs,
- 80.7% increase in device costs.

These increases were partially offset by a 19.5% decrease in interconnection and roaming costs, an 18.6% decrease in maintenance and repairs, a 2.2% decrease in marketing and a 4.1% decrease in other operating expenses. **The Company's operating expenses before depreciation, amortization and impairment and excluding costs related to early retirement programs and other restructuring costs** reached Euro 459.8 in the first half of 2015 compared to Euro 462.1 in the same period last year, reflecting a decrease of 0.5%.

As a result, **operating profit before financial activities of the Group** for the first half of 2015 reached Euro 154.6 compared to Euro 278.2 in the same period last year, reflecting a decrease of 44.4%. **Operating profit before financial activities of the Company** for the first half of 2015 reached Euro 72.1 compared to Euro 143.3 in the same period last year, reflecting a decrease of 49.7%.

The Group's operating profit before depreciation, amortization and impairment for the first half of 2015 reached Euro 555.2 compared to Euro 673.7 in the same period last year, reflecting a decrease of 17.6%. The respective margin on revenues reached 29.3% compared to 35.2% in the same period last year. **Excluding costs related to early retirement programs and other restructuring costs, the Group's operating profit before depreciation, amortization and impairment** for the first half of 2015 reached Euro 644.4 compared to Euro 679.6 in the same period last year, reflecting a decrease of 5.2%. The respective margin on revenues reached 34.0% compared to 35.5% in the same period last year.

The Company's operating profit before depreciation, amortization and impairment for the first half of 2015 reached Euro 214.6 compared to Euro 281.7 in the same period last year, reflecting a decrease of 23.8%. The respective margin on revenues reached 28.7% compared to 37.9% in the same period last year. **Excluding costs related to early retirement programs and other restructuring costs, the Company's operating profit before depreciation, amortization and impairment** for the first half of 2015 reached Euro 293.1 compared to Euro 281.7 in the same period last year, reflecting an increase of 4.0%. The respective margin on revenues reached 39.3% compared to 37.9% in the same period last year.

In relation to **the Group's financial activities**, interest expense in the first half of 2015 was Euro 75.6, reflecting a decrease of 19.5% compared to the same period last year. Interest income amounted to Euro 1.5 for the first half of 2015, reflecting a decrease of 53.1% compared to the same period last year. Gains from investments and financial assets amounted to Euro 36.0 in the first half of 2015, reflecting a reversal of provision related to the sale of GLOBUL. Foreign exchange differences resulted in gains of Euro 1.2 in the first half of 2015 compared to losses of Euro 0.1 in the same period last year. Impairment of investments and financial assets amounted to Euro 19.9 in the first half of 2015, reflecting the impact to the present value of the loans granted to the Auxiliary Pension Fund/TAYTEKO, as a result of the restructuring that took place in this period.

Income tax (expense) of the Group was Euro 66.8 in the first half of 2015, reflecting an increase of 9.7% compared the same period last year.

Considering all the above, **the Group's net profit** in the first half of 2015 was Euro 31.0 compared to Euro 126.6 in the same period last year.

In the first half of 2015, **losses attributable to non-controlling interests** in the Group's income statement reached Euro 5.8 from profits of Euro 1.5 in the same period of 2014, representing TELEKOM ROMANIA's performance.

As a result of all the above, **the Group's profit attributable to the owners of the parent** for the first half of 2015 amounted to Euro 36.8 compared to Euro 125.1 in the same period last year.

The Group's cash flows from operating activities in the first half of 2015 increased by 71.7% compared to the same period last year, amounting to Euro 426.9. This increase is mainly due to the decreased payments for early retirement programs, income taxes , interest and related expenses.

The Group's capital expenditure (CAPEX) for the first half of 2015 amounted to Euro 367.8 from Euro 280.9 in the same period last year, reflecting an increase of 30.9%. The increase is mainly due to the increased capital expenditure for spectrum acquisitions and TV content in Greece and Romania.

The Group's total debt as of June 30, 2015 was Euro 2,148.1 compared to Euro 2,638.5 at December 31, 2014, reflecting a decrease of 18.6%.The **Group's Net Debt** (interest bearing loans less cash and cash equivalents and other financial assets) at June 30, 2015, reached Euro 1,055.8 from Euro 1,124.9 at December 31, 2014, reflecting a decrease of 6.1%.

As of June 30, 2015, **the Group's net current liabilities** amounted to Euro 521.7 compared to **net current assets** of Euro 59.0 as of December 31, 2014, mainly due to the reclassification of debt from non-current to current liabilities, as it matures within twelve months from the financial position date.

B. SIGNIFICANT EVENTS OF THE 1ST HALF OF 2015

VOLUNTARY LEAVE SCHEMES

On May 22, 2015, OTE announced the implementation of a voluntary leave scheme mainly addressed to employees close to their retirement age. The scheme was completed at the end of June 2015, when the participated employees left the Company. The respective cost amounted to Euro 75.0. Furthermore, OTE's cost related to prior early retirement programs amounted to Euro 3.5.

In the first half of 2015, COSMOTE group, TELEKOM ROMANIA and other group companies applied early retirement programs, the total cost of which was Euro 4.9, Euro 1.8 and Euro 0.5, respectively.

LOANS TO THE AUXILIARY PENSION FUND/TAYTEKO

On May 28, 2015, following the approvals from OTE's and TAYTEKO's Board of Directors, an agreement was signed between the two parties for the restructuring of the loans OTE has granted to the Auxiliary Pension Fund/TAYTEKO, accepting the Fund's request in order to facilitate the payments of the monthly installments, due to the Fund's difficulties in repaying its obligations. The impact of this restructuring to the present value of these loans was Euro 17.0 (before tax) and is included in the income statement of the first half of 2015. The nominal amounts of these loan receivables have not been affected.

DIVIDEND

On June 12, 2015, the General Assembly of OTE's Shareholders approved the distribution of dividend from 2014 profits of a total amount of Euro 39.1 or Euro 0.08 (in absolute amount) per share.

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

Macroeconomic conditions in Greece – Capital controls

The macroeconomic and financial environment in Greece has become volatile. On June 28, 2015, capital controls were imposed in the country, which include a daily limit on all ATM withdrawals and restrictions on payments abroad, consequently affecting domestic transactions and dealings with foreign suppliers and creditors. As a result, residential customers, corporate customers and public sector are likely to delay payments of their obligations, adversely affecting the liquidity of the Group and the Company. In addition, the Group's and the Company's debt is totally owed to creditors outside Greece. Assuming the currently imposed capital controls remain in force, the Group and the Company will need to seek approval from the appropriate authorities in order to use cash and cash equivalents held in Greece to settle this debt. Finally, the Group's and the Company's operations in Greece are to a significant extent dependent on foreign suppliers. Assuming the currently imposed capital controls remain in force, the Group and the Company will need to seek approval from the appropriate authorities in order to use cash and cash equivalents held in Greece to settle payments to suppliers outside Greece. The instability of the Greek banking sector and the resulting imposition of capital controls have created an even more uncertain economic situation in Greece, which may affect the Group's and the Company's business, results of operations, financial condition and prospects.

On July 12, 2015, the Euro Summit agreed to consider Greece's request for financial assistance from the European Stability Mechanism ("ESM") of up to Euro 86 billion, on the condition that the Greek authorities legislate a first set of measures ("prior actions"). As of July 23, 2015, the Greek parliament approved the agreed prior actions and is now set to proceed to discussions with the Institutions in order to agree and finalize a third bailout program. The discussions for the third bailout program are expected to be finalized by the end of August 2015.

The Group's Greek operations continue without any disruption; however management is not able to accurately predict the likely developments in the Greek economy and the resulting future impact on the Group's operations. Notwithstanding this, based on management's assessment and on the assumption that the third bailout program will be agreed and implemented, no material negative impact on the Group's Greek operations is anticipated in the medium to long term. Management has therefore concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of June 30, 2015.

In this uncertain economic environment, management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's Greek operations.

Financial Risks

The below stated risks are significantly affected by the capital controls imposed as well as the macroeconomic and financial environment in Greece, as analyzed above.

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 mutual funds and other securities. These financial asset categories are not considered to expose the Group and the Company to a significant credit risk.

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Group and the Company. However, due to the large number of customers and 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 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. Furthermore, concentration of risk is considered to exist for amounts receivable from the public sector.

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 and loans to Auxiliary Pension Fund/TAYTEKO mainly due to the Voluntary Leave Scheme. The latter loans (Auxiliary Pension Fund/TAYTEKO) are exposed to credit risk related to the debt servicing capacity of the Fund.

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 June 30, 2015 amount to Euro 1,092.3 and Euro 139.8 respectively and their debt amounts to Euro 2,148.1 and Euro 1,746.2, 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. The Group manages interest rate risk through a combination of fixed and floating rate borrowings.

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).

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.

Potential impairment losses

In conjunction with the conditions in many markets in which the Group operates, 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.

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 significant market power (SMP) 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.

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. OTE and COSMOTE have implemented DT EMF Policy. 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).

Crucial infrastructure failure

For all telecom operators, the Information and Communication Technologies (ICT) infrastructure is considered as the backbone of their operations. Given the variety and diversity of contemporary services provided by all telecom operators, the complexity of the ICT infrastructure and the interdependencies between various network nodes and service platforms, are unprecedented. Thus, technical infrastructure outages, due to either external factors (e.g. earthquake, flooding, etc.) or internal factors (e.g. power & air-conditioning outages, human error, etc.) cannot be ruled out. Consequently, service disruptions might appear that could result in revenue losses, increased rehabilitation and/or potential customer compensation costs, and consequential customer and revenue loss.

OTE Group, through a dedicated Business Continuity Management (BCM) Division, has implemented a robust BCM System which was recently awarded with ISO22301:2012 certification by the British Standardization Institute (BSI). Comprehensive Network and IT Disaster Recovery (NDR & IT DR) Programs covering Fixed & Cellular networks are already instated, while mitigation measures are further enhanced through the gradual introduction of architectural changes in the network and IT platforms (e.g. MSS in pool, SGSN in pool, MGW clustering, load balancing, active-active operations etc.). Furthermore, power availability at all major sites is constantly monitored and enhanced, while one of the primary IT Data Centers was recently awarded with a Tier III-category certification by the Uptime Institute.

Data privacy & data security risk

Telecommunication companies are subject to risks in relation to data privacy and data security that might compromise the integrity and security of any form of disclosed information that they keep under their responsibility, such as customer information, partner or employee data. For OTE Group, ensuring data security and safeguarding all sensitive data is always one of the top priorities; it's more than just an obligation to meet statutory and regulatory requirements, it's also part of the company's culture, since any breach of data security or privacy can have an adverse impact on the company's reputation or result in financial loss. Recent developments in the ICT industry worldwide due to cyber-attacks and security breaches show the need to maintain high security measures and standards.

With regard to Information Security & Data Privacy, OTE Group is responding through a dedicated Business Security and Continuity Division, which develops all necessary policies, oversees their implementation, measures their effectiveness (e.g. periodic security audits) and constantly gathers and analyzes security information from various systems (e.g. data leakage prevention system, identity management system, firewalls, etc.), in order to best contain and mitigate the relevant risks.

D. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

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

	1st Half 2015		1st Half 2014	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE group of companies	36.7	53.1	32.1	31.3
OTE INTERNATIONAL INVESTMENTS LTD	0.3	1.8	0.4	2.1
COSMO-ONE	-	0.3	-	0.3
VOICENET	n/a	n/a	0.6	1.0
OTE SAT – MARITEL	0.2	0.1	0.3	0.2
OTE PLUS	0.2	19.0	0.2	30.2
OTE ESTATE	0.2	21.8	-	23.0
OTE-GLOBE	5.0	24.5	5.6	26.8
OTE ACADEMY	0.1	3.4	-	3.0
TELEKOM ROMANIA	-	-	-	0.1
OTE RURAL NORTH	1.6	-	-	-
OTE RURAL SOUTH	1.9	-	-	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.9	0.8	0.1	0.3
TOTAL	**47.1**	**124.8**	**39.3**	**118.3**

The Group's purchases and sales with related parties which are not eliminated in the consolidation are analyzed as follows:

	1st Half 2015		1st Half 2014	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	12.0	13.4	12.4	9.8
TOTAL	**12.0**	**13.4**	**12.4**	**9.8**

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

	Finance expense OTE	
	1st Half 2015	1st Half 2014
OTE PLC	41.5	65.6
TOTAL	**41.5**	**65.6**

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

	Dividend income OTE	
	1st Half 2015	1st Half 2014
OTE SAT - MARITEL	0.6	1.0
OTE INSURANCE	-	0.1
TOTAL	**0.6**	**1.1**

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

	30/06/2015		31/12/2014	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE group of companies	40.5	108.2	85.7	117.2
OTE INTERNATIONAL INVESTMENTS LTD	0.1	0.7	0.2	1.0
COSMO-ONE	-	0.3	-	0.1
OTE SAT – MARITEL	4.1	4.5	3.3	4.5
OTE PLUS	0.4	17.5	0.5	23.6
OTE ESTATE	1.3	-	0.5	4.6
OTE-GLOBE	13.7	46.3	14.8	53.5
OTE ACADEMY	0.6	1.8	0.5	1.1
TELEKOM ROMANIA	0.5	-	0.5	0.2
OTE RURAL NORTH	2.0	-	-	-
OTE RURAL SOUTH	2.3	-	-	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	1.9	17.1	1.3	1.6
TOTAL	**67.4**	**196.4**	**107.3**	**207.4**

OTE's payables to DEUTSCHE TELEKOM group of companies include dividend payable amounting to Euro 15.7 as of June 30, 2015 (December 31, 2014: nill).

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

	30/06/2015		31/12/2014	
	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)	28.1	84.8	17.3	72.6
TOTAL	**28.1**	**84.8**	**17.3**	**72.6**

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

	Amounts owed by OTE	
	30/06/2015	31/12/2014
OTE PLC	1,763.4	2,344.5
TOTAL	**1,763.4**	**2,344.5**

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

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 3.0 (including the employer's contributions to pension funds where applicable) for the first half of 2015 (first half of 2014: Euro 3.0).

As of June 30, 2015, 678,314 options under OTE's share based payment plan have been granted to the Company's key management personnel.

E. SIGNIFICANT EVENTS AFTER THE END OF THE 1st HALF OF 2015

The most significant events after June 30, 2015 are as follows:

INCOME TAX

Based on Law 4334/2015 published on July 16, 2015, the income tax rate of legal entities in Greece increased from 26% to 29% and the income tax prepayment increased from 80% to 100%, effective from January 1, 2015. The net effect of the tax rate change in the income tax of the Group and the Company will be positive in the income statement and is estimated to be Euro 23.3 and Euro 17.9, respectively and will be recorded in the third quarter of 2015.

REBRANDING OF AMC

On July 22, 2015, after the necessary approvals, AMC was renamed to TELEKOM ALBANIA.

Maroussi, August 5, 2015

Michael Tsamaz
Chairman and Managing Director

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

[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A as of 30 June 2015 and the related condensed separate and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS" 34). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

Emphasis of matter

We draw attention to note 16 "FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT", *subsection "Macroeconomic conditions in Greece – Capital controls"* to the interim condensed financial information, which makes reference to the recent developments and economic uncertainties in Greece and their potential impact on the Group's future operations, financial performance, cash flows and financial position.
Our conclusion has not been qualified with respect to this matter.

Reference to Other Legal and Regulatory Requirements

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

Athens, 5 August 2015
Certified Auditor - Accountant

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

Despina Marinou
SOEL Reg. No 17681

IV. INTERIM CONDENSED FINANCIAL STATEMENTS

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF JUNE 30, 2015

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

(TRANSLATED FROM THE GREEK ORIGINAL)

The Interim Condensed Financial Statements presented on pages 16-41, were approved by the Board of Directors on August 5, 2015 and are signed by:

Chairman & Managing Director	Board Member & OTE Group Chief Financial Officer	Executive Director Financial Operations OTE Group	Accounting Director
Michael Tsamaz	Charalampos Mazarakis	George Mavrakis	Konstantinos Vasilopoulos

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.
REGISTRATION No 1037501000
99 KIFISSIAS AVE–151 24 MAROUSSI ATHENS, GREECE

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INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		30/06/2015	31/12/2014	30/06/2015	31/12/2014
ASSETS					
Non-current assets					
Property, plant and equipment		2,967.5	3,103.3	1,229.1	1,277.5
Goodwill		506.0	505.9	-	-
Telecommunication licenses		570.7	575.4	4.3	4.6
Other intangible assets		592.6	568.2	247.4	225.8
Investments	4	0.1	0.2	3,539.5	3,539.5
Loans to pension funds		89.4	104.4	89.4	104.4
Deferred tax assets		339.1	360.0	164.0	178.6
Other non-current assets		72.2	93.0	48.9	63.4
Total non-current assets		**5,137.6**	**5,310.4**	**5,322.6**	**5,393.8**
Current assets					
Inventories		109.5	87.9	14.4	11.8
Trade receivables		738.7	684.9	364.5	349.1
Other financial assets	5	6.6	3.7	2.1	2.2
Other current assets		261.7	203.0	105.6	110.7
Restricted cash		3.9	4.5	-	-
Cash and cash equivalents		1,085.7	1,509.9	137.7	613.1
Total current assets		**2,206.1**	**2,493.9**	**624.3**	**1,086.9**
TOTAL ASSETS		**7,343.7**	**7,804.3**	**5,946.9**	**6,480.7**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	6	1,387.1	1,387.1	1,387.1	1,387.1
Share premium	6	496.7	496.7	496.7	496.7
Treasury shares	6	(14.7)	(14.8)	(14.7)	(14.8)
Statutory reserve		352.7	352.7	352.7	352.7
Foreign exchange & other reserves		(176.3)	(186.6)	(24.2)	(31.1)
Changes in non-controlling interests		(3,314.1)	(3,314.1)	-	-
Retained earnings		3,398.7	3,401.0	455.2	496.9
Total equity attributable to the owners of the Parent		**2,130.1**	**2,122.0**	**2,652.8**	**2,687.5**
Non-controlling interests	4	371.5	376.4	-	-
Total equity		**2,501.6**	**2,498.4**	**2,652.8**	**2,687.5**
Non-current liabilities					
Long-term borrowings	8	1,480.7	2,173.1	940.3	1,316.7
Provision for staff retirement indemnities		218.3	244.6	178.8	206.5
Provision for youth account		168.9	188.8	168.9	188.8
Deferred tax liabilities		57.0	60.3	-	-
Other non-current liabilities		189.4	204.2	193.0	205.0
Total non-current liabilities		**2,114.3**	**2,871.0**	**1,481.0**	**1,917.0**
Current liabilities					
Trade accounts payable		1,004.6	998.4	384.1	387.6
Short-term borrowings	8	-	-	197.2	270.6
Short-term portion of long-term borrowings	8	667.4	465.4	608.7	692.0
Income tax payable	9	114.5	46.4	-	-
Deferred revenue		141.6	143.0	84.1	78.6
Provision for voluntary leave scheme		224.9	142.9	224.9	142.9
Dividends payable	7	39.3	0.5	39.3	0.5
Other current liabilities		535.5	638.3	274.8	304.0
Total current liabilities		**2,727.8**	**2,434.9**	**1,813.1**	**1,876.2**
TOTAL EQUITY AND LIABILITIES		**7,343.7**	**7,804.3**	**5,946.9**	**6,480.7**

The accompanying notes on pages 25-41 form an integral part of these financial statements.

INTERIM INCOME STATEMENT (CONSOLIDATED)

(Amounts in millions of Euro except per share data)	Notes	2nd Quarter 2015	2nd Quarter 2014	1st Half 2015	1st Half 2014
Revenue					
Fixed business:					
Retail services revenues		298.5	308.0	598.6	614.8
Wholesale services revenues		158.3	135.3	305.9	287.7
Other revenues		68.8	77.1	149.6	155.6
Total revenues from fixed business		**525.6**	**520.4**	**1,054.1**	**1,058.1**
Mobile business:					
Service revenues		332.3	346.7	650.2	691.0
Handset revenues		49.7	54.7	106.2	109.4
Other revenues		4.3	4.4	8.7	8.0
Total revenues from mobile business		**386.3**	**405.8**	**765.1**	**808.4**
Miscellaneous other revenues		**41.6**	**24.4**	**75.1**	**47.8**
Total revenues		**953.5**	**950.6**	**1,894.3**	**1,914.3**
Other operating income	11	**9.3**	**16.1**	**25.4**	**26.3**
Operating expenses					
Interconnection and roaming costs		(120.5)	(102.3)	(228.0)	(220.5)
Provision for doubtful accounts		(21.9)	(21.4)	(44.2)	(42.1)
Personnel costs		(173.1)	(180.1)	(347.3)	(354.6)
Costs related to early retirement programs	10	(81.7)	(1.8)	(85.7)	(2.7)
Commission costs		(36.9)	(36.6)	(72.8)	(73.5)
Device costs		(63.3)	(61.9)	(139.0)	(130.4)
Maintenance and repairs		(25.4)	(23.7)	(49.7)	(47.7)
Marketing		(30.9)	(28.1)	(54.9)	(54.0)
Other operating expenses, out of which:		(173.9)	(168.3)	(342.9)	(341.4)
Rental, leasing and facility costs		*(49.0)*	*(48.3)*	*(97.8)*	*(97.0)*
Third party fees and services		*(35.2)*	*(30.5)*	*(72.7)*	*(62.3)*
Other taxes and regulatory charges		*(24.1)*	*(23.7)*	*(45.2)*	*(49.0)*
Construction cost network		*(7.5)*	-	*(15.9)*	-
Other sundry operating expenses		*(58.1)*	*(65.8)*	*(111.3)*	*(133.1)*
Total operating expenses before depreciation, amortization and impairment		**(727.6)**	**(624.2)**	**(1,364.5)**	**(1,266.9)**
Operating profit before financial activities and depreciation, amortization and impairment		**235.2**	**342.5**	**555.2**	**673.7**
Depreciation, amortization and impairment		(199.8)	(200.5)	(400.6)	(395.5)
Operating profit before financial activities		**35.4**	**142.0**	**154.6**	**278.2**
Income and expense from financial activities					
Interest expense		(36.0)	(46.0)	(75.6)	(93.9)
Interest income		0.7	1.7	1.5	3.2
Foreign exchange differences, net		(0.6)	1.3	1.2	(0.1)
Impairment of investments and financial assets	5, 16	(17.7)	-	(19.9)	-
Gains from investments and financial assets	4	36.0	-	36.0	0.1
Total loss from financial activities		**(17.6)**	**(43.0)**	**(56.8)**	**(90.7)**
Profit before tax		**17.8**	**99.0**	**97.8**	**187.5**
Income tax	9	(25.8)	(27.3)	(66.8)	(60.9)
Profit/(loss) for the period		**(8.0)**	**71.7**	**31.0**	**126.6**
Attributable to:					
Owners of the parent		(3.6)	69.3	36.8	125.1
Non-controlling interests		(4.4)	2.4	(5.8)	1.5
Profit/(loss) for the period		**(8.0)**	**71.7**	**31.0**	**126.6**
Earnings/(losses) per share attributable to owners of the Parent					
Basic earnings/(losses) per share	12	(0.0074)	0.1422	0.0753	0.2571
Diluted earnings/(losses) per share	12	(0.0074)	0.1421	0.0753	0.2569

The accompanying notes on pages 25-41 form an integral part of these financial statements.

INTERIM INCOME STATEMENT (SEPARATE)

(Amounts in millions of Euro)	Notes	2nd Quarter 2015	2nd Quarter 2014	1st Half 2015	1st Half 2014
Revenue					
Fixed business:					
Retail services revenues		215.7	216.3	429.7	430.7
Wholesale services revenues		81.7	79.6	163.0	164.7
Other revenues		52.3	51.4	105.3	100.9
Total revenues from fixed business		**349.7**	**347.3**	**698.0**	**696.3**
Mobile business:					
Handset revenues		6.2	3.9	11.9	7.3
Total revenues from mobile business		**6.2**	**3.9**	**11.9**	**7.3**
Miscellaneous other revenues		**18.3**	**20.6**	**36.7**	**39.5**
Total revenues		**374.2**	**371.8**	**746.6**	**743.1**
Other operating income	11	**1.8**	**0.4**	**6.3**	**0.7**
Operating expenses					
Interconnection and roaming costs		(24.6)	(31.6)	(48.6)	(60.4)
Provision for doubtful accounts		(5.1)	(5.0)	(10.2)	(10.2)
Personnel costs		(91.6)	(82.8)	(171.9)	(165.7)
Costs related to early retirement programs	10	(75.0)	-	(78.5)	-
Commission costs		(2.8)	(1.9)	(6.2)	(4.1)
Device costs		(15.9)	(8.8)	(30.0)	(16.6)
Maintenance and repairs		(9.1)	(14.2)	(22.3)	(27.4)
Marketing		(6.6)	(6.5)	(13.1)	(13.4)
Other operating expenses, out of which:		(76.3)	(83.8)	(157.5)	(164.3)
Rental, leasing and facility costs		*(25.6)*	*(26.2)*	*(51.0)*	*(51.7)*
Third party fees and services		*(27.3)*	*(31.9)*	*(63.5)*	*(61.4)*
Other taxes and regulatory charges		*(6.0)*	*(4.5)*	*(10.3)*	*(8.3)*
Other sundry operating expenses		*(17.4)*	*(21.2)*	*(32.7)*	*(42.9)*
Total operating expenses before depreciation, amortization and impairment		**(307.0)**	**(234.6)**	**(538.3)**	**(462.1)**
Operating profit before financial activities and depreciation, amortization and impairment		**69.0**	**137.6**	**214.6**	**281.7**
Depreciation, amortization and impairment		(70.2)	(68.8)	(142.5)	(138.4)
Operating profit/(loss) before financial activities		**(1.2)**	**68.8**	**72.1**	**143.3**
Income and expense from financial activities					
Interest expense		(21.8)	(33.3)	(47.8)	(68.0)
Interest income		0.5	0.6	1.0	1.1
Foreign exchange differences, net		(0.6)	(0.2)	0.7	0.1
Dividend income		0.6	1.1	0.6	1.1
Impairment of investments and financial assets	16	(17.0)	-	(17.0)	-
Gains from investments and financial assets		-	-	-	0.1
Total loss from financial activities		**(38.3)**	**(31.8)**	**(62.5)**	**(65.6)**
Profit/(loss) before tax		**(39.5)**	**37.0**	**9.6**	**77.7**
Income tax	9	5.4	(13.4)	(12.2)	(28.2)
Profit/(loss) for the period		**(34.1)**	**23.6**	**(2.6)**	**49.5**

The accompanying notes on pages 25-41 form an integral part of these financial statements.

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

	2nd Quarter		1st Half	
(Amounts in millions of Euro)	2015	2014	2015	2014
Profit/(loss) for the period	**(8.0)**	**71.7**	**31.0**	**126.6**
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains/ (losses)	28.1	(10.4)	9.5	(18.6)
Deferred taxes on actuarial gains/ (losses)	(7.3)	2.6	(2.5)	4.7
Total items that will not be reclassified subsequently to profit or loss	**20.8**	**(7.8)**	**7.0**	**(13.9)**
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(18.6)	23.7	2.9	28.1
Net movement in available for sale financial assets	(0.3)	(0.2)	1.9	-
Deferred taxes on remeasurement to fair value of available-for-sale financial assets	-	-	(0.6)	-
Total items that may be reclassified subsequently to profit or loss	**(18.9)**	**23.5**	**4.2**	**28.1**
Other comprehensive income for the period	**1.9**	**15.7**	**11.2**	**14.2**
Total comprehensive income /(loss) for the period	**(6.1)**	**87.4**	**42.2**	**140.8**
Attributable to:				
Owners of the Parent	3.5	78.6	47.1	131.9
Non-controlling interests	(9.6)	8.8	(4.9)	8.9
	(6.1)	**87.4**	**42.2**	**140.8**

INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

	2nd Quarter		1st Half	
(Amounts in millions of Euro)	2015	2014	2015	2014
Profit/(loss) for the period	**(34.1)**	**23.6**	**(2.6)**	**49.5**
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains/ (losses)	28.1	(10.4)	9.5	(18.6)
Deferred taxes on actuarial gains/ (losses)	(7.3)	2.6	(2.5)	4.7
Total items that will not be reclassified subsequently to profit or loss	**20.8**	**(7.8)**	**7.0**	**(13.9)**
Items that may be reclassified subsequently to profit or loss				
Net movement in available for sale financial assets	(0.1)	(0.1)	(0.1)	0.1
Total items that may be reclassified subsequently to profit or loss	**(0.1)**	**(0.1)**	**(0.1)**	**0.1**
Other comprehensive income / (loss) for the period	**20.7**	**(7.9)**	**6.9**	**(13.8)**
Total comprehensive income /(loss) for the period	**(13.4)**	**15.7**	**4.3**	**35.7**

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

	Attributed to owners of the parent									
(Amounts in millions of Euro)	Share capital	Share premium	Treasury shares	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at January 1, 2014	**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**
Profit for the period	-	-	-	-	-	-	125.1	**125.1**	1.5	**126.6**
Other comprehensive income / (loss)	-	-	-	-	6.8	-	-	**6.8**	7.4	**14.2**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**6.8**	**-**	**125.1**	**131.9**	**8.9**	**140.8**
Dividend distribution	-	-	-	-	-	-	-	-	(0.1)	**(0.1)**
Acquisition of treasury shares for purposes of share option plan	-	-	(52.5)	-	-	-	-	**(52.5)**	-	**(52.5)**
Transfer of treasury shares upon exercise of share option plan	-	-	58.6	-	-	-	-	**58.6**	-	**58.6**
Exercise of share options under the share option plan	-	(32.9)	-	-	-	-	-	**(32.9)**	-	**(32.9)**
Balance as at June 30, 2014	**1,387.1**	**479.0**	**(5.1)**	**347.2**	**(151.1)**	**(3,315.2)**	**3,283.5**	**2,025.4**	**384.2**	**2,409.6**
Balance as at January 1, 2015	**1,387.1**	**496.7**	**(14.8)**	**352.7**	**(186.6)**	**(3,314.1)**	**3,401.0**	**2,122.0**	**376.4**	**2,498.4**
Profit / (loss) for the period	-	-	-	-	-	-	36.8	**36.8**	(5.8)	**31.0**
Other comprehensive income / (loss)	-	-	-	-	10.3	-	-	**10.3**	0.9	**11.2**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**10.3**	**-**	**36.8**	**47.1**	**(4.9)**	**42.2**
Dividend distribution (see Note 7)	-	-	-	-	-	-	(39.1)	**(39.1)**	-	**(39.1)**
Transfer of treasury shares upon exercise of share option plan (see Note 6)	-	-	0.1	-	-	-	-	**0.1**	-	**0.1**
Balance as at June 30, 2015	**1,387.1**	**496.7**	**(14.7)**	**352.7**	**(176.3)**	**(3,314.1)**	**3,398.7**	**2,130.1**	**371.5**	**2,501.6**

INTERIM 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, 2014	**1,387.1**	**511.9**	**(11.2)**	**347.2**	**(11.3)**	**393.1**	**2,616.8**
Profit for the period	-	-	-	-	-	49.5	**49.5**
Other comprehensive income / (loss)	-	-	-	-	(13.8)	-	**(13.8)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**(13.8)**	**49.5**	**35.7**
Acquisition of treasury shares for purposes of share option plan	-	-	(52.5)	-	-	-	**(52.5)**
Transfer of treasury shares upon exercise of share option plan	-	-	58.6	-	-	-	**58.6**
Exercise of share options under the share option plan	-	(32.9)	-	-	-	-	**(32.9)**
Balance as at June 30, 2014	**1,387.1**	**479.0**	**(5.1)**	**347.2**	**(25.1)**	**442.6**	**2,625.7**
Balance as at January 1, 2015	**1,387.1**	**496.7**	**(14.8)**	**352.7**	**(31.1)**	**496.9**	**2,687.5**
Profit /(loss) for the period	-	-	-	-	-	(2.6)	**(2.6)**
Other comprehensive income / (loss)	-	-	-	-	6.9	-	**6.9**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**6.9**	**(2.6)**	**4.3**
Dividend distribution (see Note 7)	-	-	-	-	-	(39.1)	**(39.1)**
Transfer of treasury shares upon exercise of share option plan (see Note 6)	-	-	0.1	-	-	-	**0.1**
Balance as at June 30, 2015	**1,387.1**	**496.7**	**(14.7)**	**352.7**	**(24.2)**	**455.2**	**2,652.8**

INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP 01/01-30/06/2015	GROUP 01/01-30/06/2014	COMPANY 01/01-30/06/2015	COMPANY 01/01-30/06/2014
Cash flows from operating activities					
Profit before tax		97.8	187.5	9.6	77.7
Adjustments for:					
Depreciation, amortization and impairment		400.6	395.5	142.5	138.4
Costs related to early retirement programs		85.7	2.7	78.5	-
Provision for staff retirement indemnities		5.8	4.7	4.5	3.6
Provision for youth account		1.7	1.4	1.7	1.4
Provision for write down of inventories		3.4	2.9	1.4	-
Provision for doubtful accounts		44.2	42.1	10.2	10.2
Other provisions		-	2.8	-	(0.1)
Foreign exchange differences, net		(1.2)	0.1	(0.7)	(0.1)
Interest income		(1.5)	(3.2)	(1.0)	(1.1)
Dividend income		-	-	(0.6)	(1.1)
(Gains) / losses from investments and financial assets - Impairments		(16.1)	(0.1)	17.0	(0.1)
Interest expense		75.6	93.9	47.8	68.0
Working capital adjustments:					
Decrease / (increase) in inventories		(24.9)	(16.3)	(4.0)	1.0
Increase in receivables		(165.2)	(29.0)	(47.8)	(4.7)
(Decrease) / increase in liabilities (except borrowings)		55.1	(77.3)	12.8	(14.9)
Plus /(Minus):					
Payment for early retirement programs and voluntary leave scheme	10	(3.4)	(107.1)	(1.6)	(103.8)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(17.6)	(6.8)	(17.6)	(6.6)
Interest and related expenses paid		(96.8)	(155.5)	(90.0)	(112.4)
Income taxes paid		(16.3)	(89.6)	(8.7)	(39.6)
Net cash flows from operating activities		**426.9**	**248.7**	**154.0**	**15.8**
Cash flows from investing activities					
Sale or maturity of financial assets		-	12.4	-	9.0
Repayment of loans receivable		5.6	6.0	5.6	6.0
Purchase of property plant and equipment and intangible assets		(367.8)	(280.9)	(118.8)	(99.8)
Movement in restricted cash		0.6	0.8	-	-
Proceeds from disposal of subsidiaries / investments, net of cash disposed		-	(2.2)	-	-
Interest received		1.6	2.3	1.1	1.0
Dividends received		-	-	-	0.6
Net cash flows used in investing activities		**(360.0)**	**(261.6)**	**(112.1)**	**(83.2)**
Cash flows from financing activities					
Share option plan		-	(32.9)	18.2	(32.9)
Proceeds from loans granted and issued	8	-	-	170.0	363.7
Repayment of loans	8	(493.3)	(408.7)	(705.1)	(374.0)
Dividends paid to Company's owners		(0.4)	(0.5)	(0.4)	(0.5)
Net cash flows used in financing activities		**(493.7)**	**(442.1)**	**(517.3)**	**(43.7)**
Net decrease in cash and cash equivalents		**(426.8)**	**(455.0)**	**(475.4)**	**(111.1)**
Cash and cash equivalents, at the beginning of the period		**1,509.9**	**1,444.3**	**613.1**	**426.6**
Net foreign exchange differences		2.6	6.7	-	-
Cash and cash equivalents, at the end of the period		**1,085.7**	**996.0**	**137.7**	**315.5**

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 General Commercial Registry (Γ.Ε.ΜΗ.) with the unique number 1037501000. 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 from February 6, 2009, the financial statements are included in the consolidated financial statements of DEUTSCHE TELEKOM AG (full consolidation method), which has its registered office in Germany and as of June 30, 2015 holds a 40.00% interest in OTE (see Note 6).

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

The Interim Condensed Consolidated and Separate Financial Statements ("interim financial statements") as of June 30, 2015 and for the six month period then ended, were approved for issuance by the Board of Directors on August 5, 2015.

The total numbers of Group and Company employees as of June 30, 2015 and 2014 and as of December 31, 2014 were as follows:

	GROUP	COMPANY
June 30, 2015	21,713	8,451
December 31, 2014	22,144	6,924
June 30, 2014	22,937	6,869

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

COMPANY NAME	LINE OF BUSINESS	COUNTRY	30/06/2015	31/12/2014
			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%
COSMO-ONE HELLAS MARKET SITE S.A. ("COSMO-ONE")	E-commerce services	Greece	61.74%	61.74%
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%

COMPANY NAME	LINE OF BUSINESS	COUNTRY	30/06/2015	31/12/2014
			GROUP's OWNERSHIP INTEREST	
OTE ACADEMY S.A. ("OTE ACADEMY")	Training services	Greece	100.00%	100.00%
TELEKOM ROMANIA COMMUNICATIONS S.A. ("TELEKOM ROMANIA")	Fixed line telephony services	Romania	54.01%	54.01%
NEXTGEN COMMUNICATIONS SRL ("NEXTGEN")	Telecommunications services	Romania	54.01%	54.01%
TELEKOM ROMANIA MOBILE TELECOMMUNICATIONS S.A. ("TELEKOM ROMANIA MOBILE")	Mobile telecommunications services	Romania	86.20%	86.20%
COSMO-HOLDING ALBANIA S.A. ("CHA") (see below)	Investment holding company	Greece	100.00%	100.00%
ALBANIAN MOBILE COMMUNICATIONS Sh.a ("AMC") (see also Note 17)	Mobile telecommunications services	Albania	99.76%	99.76%
GERMANOS S.A. ("GERMANOS")	Retail services	Greece	100.00%	100.00%
COSMOTE E-VALUE (ex E-VALUE S.A.) (see below)	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%
MOBILBEEEP LTD	Retail services	Greece	100.00%	100.00%
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%
COSMOHOLDING INTERNATIONAL B.V.	Investment holding company	Netherlands	100.00%	100.00%
E-VALUE INTERNATIONAL S.A.	Marketing services	Romania	100.00%	100.00%
OTE RURAL NORTH SPECIAL PURPOSE DEVELOPMENT AND MANAGEMENT OF BROADBAND INFRASTRUCTURE S.A. ("OTE RURAL NORTH")	Wholesale broadband and infrastructure services	Greece	100.00%	100.00%
OTE RURAL SOUTH SPECIAL PURPOSE DEVELOPMENT AND MANAGEMENT OF BROADBAND INFRASTRUCTURE S.A. ("OTE RURAL SOUTH")	Wholesale broadband and infrastructure services	Greece	100.00%	100.00%

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.

MERGER OF CHA
On September 4, 2014, the Board of Directors of COSMOTE and CHA approved the initiation of the merger process between CHA and COSMOTE, by which CHA would be absorbed by COSMOTE. The process was completed in July 2015.

REBRANDING OF E-VALUE S.A.
On February 16, 2015, the Board of Directors of E-VALUE S.A. approved the rebranding of E-VALUE S.A. to COSMOTE E-VALUE. The relevant decision was published on the General Commercial Registry (Γ.Ε.ΜΗ.) on February 25, 2015.

2. BASIS OF PREPARATION

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

These interim financial statements do not include all the information required in the annual financial statements and they should be read in conjunction with the annual audited financial statements as of December 31, 2014, which are available on the Company's website https://www.ote.gr/web/guest/corporate/ir/financial-results/financial-statements-of-ote-group-and-ote-sa.

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

In preparing these interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, were the same as those applied to the annual audited financial statements as of December 31, 2014.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared using accounting policies consistent with those adopted for the preparation of the annual financial statements as of December 31, 2014 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following new and amended IFRS and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2015, noted below:

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

Standards and Interpretations effective for the current financial year

- IFRIC 21 "Levies"(effective for annual periods beginning on or after June 17, 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.

Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after January 1, 2015):
The amendments set out below describe the key changes to three IFRSs, following the publication of the results of the IASB's 2011-2013 cycle of the annual improvements project.

- 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.

Standards and Interpretations effective for subsequent periods

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2015, and have not been applied in preparing these consolidated financial statements. The Group is currently investigating the impact of the new standards and amendments on its financial statements.

- IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2018): IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The standard has not yet been endorsed by the EU.

- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after January 1, 2017): The objective of the Standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard has not yet been endorsed by the EU.

- IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after February 1, 2015): This narrow scope amendment applies 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.

- IFRS 11 (Amendment) "Joint Arrangements" (effective for annual periods beginning on or after January 1, 2016): This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a "business". This amendment has not yet been endorsed by the EU.

- IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortization" (effective for annual periods beginning on or after January 1, 2016): These amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and they also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments have not yet been endorsed by the EU.

- IAS 27 (Amendment) "Separate Financial Statements" (effective for annual periods beginning on or after January 1, 2016): This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment has not yet been endorsed by the EU.

- IFRS 10 and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (effective for annual periods beginning on or after January 1, 2016): These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments have not yet been endorsed by the EU.

- IAS 1 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after January 1, 2016): These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments have not yet been endorsed by the EU.

- IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment Entities: Applying the Consolidation Exception" (effective for annual periods beginning on or after January 1, 2016): These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after February 1, 2015):

The amendments set out below describe the key changes to six IFRSs, following the publication of the results of the IASB's 2010-2012 cycle of the annual improvements project.

- 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 judgments 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 2014 (effective for annual periods beginning on or after January 1, 2016):

The amendments set out below describe the key changes to four IFRSs. The improvements have not yet been endorsed by the EU.

- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations": The amendment clarifies that, when an asset (or disposal group) is reclassified from "held for sale" to "held for distribution", or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

- IFRS 7 "Financial Instruments: Disclosures": The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, "Disclosure – Offsetting financial assets and financial liabilities" is not specifically required for all interim periods, unless required by IAS 34.

- IAS 19 "Employee Benefits": The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

- IAS 34 "Interim Financial Reporting": The amendment clarifies what is meant by the reference in the standard to "information disclosed elsewhere in the interim financial report".

4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/06/2015	**31/12/2014**	**30/06/2015**	**31/12/2014**
(a) Investments in subsidiaries	-	-	3,539.4	3,539.4
(b) Other investments	0.1	0.2	0.1	0.1
TOTAL	**0.1**	**0.2**	**3,539.5**	**3,539.5**

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	30/06/2015	31/12/2014
COSMOTE	100.00%	Greece	2,762.9	2,762.9
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	401.9	401.9
COSMO-ONE	30.87%	Greece	0.5	0.5
OTE SAT- MARITEL	94.08%	Greece	4.6	4.6
OTE PLC	100.00%	U.K.	0.1	0.1
OTE PLUS	100.00%	Greece	8.2	8.2
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
OTE RURAL NORTH	100.00%	Greece	1.8	1.8
OTE RURAL SOUTH	100.00%	Greece	2.2	2.2
TOTAL			**3,539.4**	**3,539.4**

The Group's non-controlling interests amounted to Euro 371.5 as of June 30, 2015 (December 31, 2014: 376.4), out of which Euro 368.6 relate to TELEKOM ROMANIA (December 31, 2014: 373.5), representing the 45.99% on TELEKOM ROMANIA's equity, which is owned by the Romanian State.

SALE OF GLOBUL AND GERMANOS TELECOM BULGARIA A.D.

In 2013, the Group sold its 100.00% stake in GLOBUL and in GERMANOS TELECOM BULGARIA A.D. to Telenor Mobile Communications AS, the Norwegian telecom operator. Included in the consolidated income statement of the first half of 2015 is a gain of Euro 36.0, reflecting the reversal of a provision related to that sale.

5. OTHER FINANCIAL ASSETS

Other financial assets are analyzed as follows:

	GROUP		COMPANY	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Marketable securities:				
Available for sale – Mutual funds	6.6	3.7	2.1	2.2
TOTAL	**6.6**	**3.7**	**2.1**	**2.2**

The movement of the marketable securities is analyzed as follows:

	GROUP		COMPANY	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Balance at the beginning of the period	3.7	7.5	2.2	2.4
Transfer from other non-current assets	3.9	-	-	-
Sales - maturities of available for sale financial assets	-	(3.4)	-	-
Impairment of financial assets	(2.9)	-	-	-
Transfer from other comprehensive income	2.1	-	-	-
Fair value adjustments through other comprehensive income	(0.2)	(0.4)	(0.1)	(0.2)
Balance at the end of the period	**6.6**	**3.7**	**2.1**	**2.2**

6. SHARE CAPITAL – SHARE PREMIUM – TREASURY SHARES

OTE's share capital as of June 30, 2015 and December 31, 2014, amounted to Euro 1,387.1 divided into 490,150,389 registered shares, with a nominal value of Euro 2.83 (absolute amount) per share. The share premium as of June 30, 2015 and December 31, 2014, amounted to Euro 496.7.

The following is an analysis of the ownership of OTE's shares as of June 30, 2015:

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	208,567,229	42.55%
Private investors	35,146,282	7.17%
Treasury shares	1,361,680	0.28%
TOTAL	**490,150,389**	**100.00%**

The movement of the own shares is presented in the table below:

	Number of shares	Amount
Own shares as at January 1, 2015	1,369,951	14.8
Own shares transferred during the period	(8,271)	(0.1)
Own shares as at June 30, 2015	**1,361,680**	**14.7**

7. DIVIDENDS

On June 12, 2015, the General Assembly of OTE's Shareholders approved the distribution of dividend from 2014 profits of a total amount of Euro 39.1 or Euro 0.08 (in absolute amount) per share. The amount of dividends payable as of June 30, 2015, amounted to Euro 39.3 (December 31, 2014: Euro 0.5).

8. LONG-TERM AND SHORT-TERM BORROWINGS

LONG – TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/06/2015	31/12/2014
(a) Syndicated loans	132.8	165.9
(b) Global Medium-Term Note Programme	2,015.3	2,472.6
Total long-term debt	**2,148.1**	**2,638.5**
Short-term portion	(667.4)	(465.4)
Long-term portion	**1,480.7**	**2,173.1**

(a) Syndicated loans
On April 27, 2015, TELEKOM ROMANIA MOBILE repaid in total Euro 33.8 under the syndicated facility with EBRD, along with the payment of accrued interest.

(b) Global Medium-Term Note Programme
Repayment of Euro 787.7 Notes due February 12, 2015
In January and February 2015, OTE PLC proceeded with the repurchase of a nominal amount of Euro 49.8, under the Euro 787.7 Notes maturing February 12, 2015, along with the payment of accrued interest. The Notes were surrendered for cancellation. On February 12, 2015, OTE PLC proceeded with the full redemption of the remaining outstanding amount of Euro 382.6 under the above Notes along with the payment of the accrued interest.

Bond buybacks
In January and March 2015, OTE PLC proceeded with the repurchase of a nominal amount of Euro 27.1, under the Euro 900.0 Notes maturing on May 20, 2016, along with the payment of accrued interest. The Notes were surrendered for cancellation. As a result, the outstanding nominal amount of the Euro 900.0 Notes is Euro 629.5.

Reclassification
On May 20, 2015, the outstanding nominal amount of Euro 629.5 under the Euro 900.0 Notes (initial nominal value) maturing on May 20, 2016, was reclassified from "Long-term borrowings" to "Short-term portion of long-term borrowings".

COMPANY	30/06/2015	31/12/2014
Intercompany loans from OTE PLC	1,549.0	2,008.7
Total long-term debt	**1,549.0**	**2,008.7**
Short-term portion	(608.7)	(692.0)
Long-term portion	**940.3**	**1,316.7**

Repayment of loan granted from OTE PLC
In January and February 2015, OTE proceeded with partial prepayments of a nominal amount of Euro 49.8 under the Euro 600.0 loan from OTE PLC maturing on February 11, 2015, along with the payment of the accrued interest. In February 2015, OTE proceeded with the full repayment of the remaining outstanding amount of Euro 382.6 under the above loan, along with the payment of accrued interest.

Prepayments of loan granted from OTE PLC
On March 20, 2015, OTE proceeded with partial prepayment to OTE PLC of a nominal amount of Euro 2.9 under the Euro 575.0 bond loan maturing on May 19, 2016.
On May 22 and on May 28, 2015, OTE proceeded with partial prepayment to OTE PLC of a nominal amount of Euro 46.0 under the Euro 99.7 bond loan maturing on September 15, 2015 along with the payment of accrued interest.

New loan granted from OTE PLC
On April 27, 2015, OTE signed a Euro 20.0 bond loan agreement with OTE PLC maturing on May 19, 2016.

Reclassification

On May 19, 2015, the outstanding nominal amount of Euro 377.2 under the Euro 575.0 (initial nominal value) intercompany bond loan and the Euro 20.0 intercompany bond loan, both maturing on May 19, 2016, were reclassified from "Long-term borrowings" to "Short-term portion of long-term borrowings".

SHORT –TERM BORROWINGS

COMPANY

The outstanding balance of short-term borrowings as of June 30, 2015 for the Company amounted to Euro 197.2 (December 31, 2014: Euro 270.6).

Prepayments under loans granted from OTE PLC

On February 20, 2015, OTE proceeded with the full prepayment to OTE PLC of the Euro 51.0 bond loan maturing on May 29, 2015 along with the payment of accrued interest.

In February and March, 2015, OTE proceeded with partial prepayments to OTE PLC of a total subscription amount of Euro 119.8 along with the payment of the accrued yield under the Euro 170.7 zero coupon bond loan maturing on December 10, 2015.

On April 28, 2015, OTE proceeded with the full prepayment to OTE PLC of the Euro 53.0 bond loan maturing on June 10, 2015 along with the payment of accrued interest.

New loans granted from OTE PLC

The following new loans were signed within 2015 and the proceeds were used for debt refinancing and for general corporate purposes:

- On May 27, 2015, OTE signed a Euro 30.0 bond loan agreement with OTE PLC maturing on May 19, 2016.
- In June 2015, OTE signed two zero coupon bond loans of nominal amount of Euro 62.7 and Euro 62.8 with OTE PLC maturing in March 2016. The subscription amount received under each zero coupon bond loan was Euro 60.0.

9. INCOME TAXES

The corporate income tax rate of legal entities in Greece is set at 26% for fiscal year 2013 onwards. For recent developments, see Note 17.

Unaudited tax years

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

COMPANY	Open tax years
OTE	2014
COSMOTE	2010, 2014
OTE INTERNATIONAL INVESTMENTS LTD	2010 – 2014
COSMO-ONE	2010, 2014
OTE PLC	2013 – 2014
OTE SAT-MARITEL	2009 – 2010 and 2014
OTE PLUS	2010, 2014
OTE ESTATE	2008 – 2010 and 2014
OTE-GLOBE	2010, 2014
OTE INSURANCE	2010, 2014
OTE ACADEMY	2010, 2014
HATWAVE	1996 – 2014
OTE INVESTMENTS SERVICES S.A.	2010, 2014
TELEKOM ROMANIA	2006 – 2014
NEXTGEN	2008 – 2014
AMC	2013 – 2014
TELEKOM ROMANIA MOBILE	2007 – 2014
GERMANOS	2010, 2014
COSMOTE E-VALUE	2010, 2014
GERMANOS TELECOM ROMANIA S.A.	2009 – 2014
SUNLIGHT ROMANIA S.R.L. - FILIALA	2009 – 2014
MOBILBEEEP LTD	2010 – 2014
CHA	2007 – 2011 and 2014
COSMOHOLDING ROMANIA LTD	2009 – 2014

COMPANY	Open tax years
ZAPP	2009 – 2014
E-VALUE LTD	2010, 2014
COSMOHOLDING INTERNATIONAL B.V.	2014
E-VALUE INTERNATIONAL S.A.	2014
OTE RURAL NORTH	2014
OTE RURAL SOUTH	2014

The Group provides, when considered appropriate, on a company by company basis for possible additional taxes that may be imposed by the tax authorities.

For the Greek companies of the Group, the tax audit for the financial year 2014 is being performed by PricewaterhouseCoopers S.A. and the "Tax Compliance Report" will be issued in the second half of 2015. 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.

- The tax audit for CHA for the fiscal years 2007 - 2011 is in progress.
- The tax audit for OTESAT - MARITEL for the fiscal year 2008 has been completed without any significant impact to the Group.
- The tax audit for TELEKOM ROMANIA MOBILE for the fiscal years 2007 - 2012 is in progress.
- The tax audit for OTE ESTATE for the fiscal years 2008 - 2010 is in progress.

The major components of income tax expense are as follows:

	2nd Quarter		1st Half	
GROUP	**2015**	**2014**	**2015**	**2014**
Current income tax	15.9	20.5	52.3	41.4
Deferred income tax	9.9	6.8	14.5	19.5
Total income tax	**25.8**	**27.3**	**66.8**	**60.9**

	2nd Quarter		1st Half	
COMPANY	**2015**	**2014**	**2015**	**2014**
Current income tax	(9.2)	-	-	-
Deferred income tax	3.8	13.4	12.2	28.2
Total income tax	**(5.4)**	**13.4**	**12.2**	**28.2**

Income tax payable for the Group and the Company as of June 30, 2015 amounted to Euro 114.5 and nill, respectively (December 31, 2014: Euro 46.4 and nill, respectively).

10. PROVISION FOR VOLUNTARY LEAVE SCHEME

OTE Voluntary Leave Scheme

On May 22, 2015, OTE announced the implementation of a voluntary leave scheme mainly addressed to employees close to their retirement age. The scheme was completed at the end of June 2015, when the participated employees left the Company. The respective cost amounted to Euro 75.0. Furthermore, OTE's cost related to prior early retirement programs amounted to Euro 3.5.

Other early retirement programs

In the first half of 2015, COSMOTE group, TELEKOM ROMANIA and other group companies applied early retirement programs, the total cost of which was Euro 4.9, Euro 1.8 and Euro 0.5, respectively.

The total cost of the above mentioned programs for the first half of 2015, amounted to Euro 85.7 and Euro 78.5 for the Group and the Company respectively. Amounts paid during the first half of 2015, in relation to early retirement programs were Euro 3.4 for the Group and Euro 1.6 for the Company.

11. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

	2nd Quarter		1st Half	
GROUP	**2015**	**2014**	**2015**	**2014**
Income from disposal of property, plant and equipment	2.5	9.1	8.5	13.4
Income from contract penalties	3.1	3.2	9.8	6.0
Income from investment property	1.8	1.9	3.7	3.8
Other	1.9	1.9	3.4	3.1
TOTAL	**9.3**	**16.1**	**25.4**	**26.3**

	2nd Quarter		1st Half	
COMPANY	**2015**	**2014**	**2015**	**2014**
Income from disposal of property, plant and equipment	1.0	-	1.0	-
Income from contract penalties	0.4	0.2	4.4	0.2
Other	0.4	0.2	0.9	0.5
TOTAL	**1.8**	**0.4**	**6.3**	**0.7**

12. EARNINGS/(LOSSES) PER SHARE

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

Earnings/(losses) per share are analyzed as follows:

	2nd Quarter		1st Half	
GROUP	**2015**	**2014**	**2015**	**2014**
Profit/(loss) attributable to owners of the parent	(3.6)	69.3	36.8	125.1
Weighted average number of shares for basic earnings per share	488,784,710	487,437,488	488,782,586	486,635,070
Share options outstanding	4,040,815	6,644,523	4,040,815	6,644,523
Weighted average number of shares adjusted for the effect of dilutions	488,923,294	487,682,493	488,928,810	486,950,383
Basic earnings/(losses) per share	(0.0074)	0.1422	0.0753	0.2571
Diluted earnings/(losses) per share	(0.0074)	0.1421	0.0753	0.2569
(Earnings per share are in absolute amounts)				

13. 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 TELEKOM ROMANIA 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.
- TELEKOM ROMANIA 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 period.

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

Six month period ended June 30, 2015	OTE	COSMOTE GROUP	TELEKOM ROMANIA	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	700.4	757.3	286.7	149.9	1,894.3	-	1,894.3
Intersegment revenue	46.2	72.0	12.5	79.1	209.8	(209.8)	-
Total revenues	746.6	829.3	299.2	229.0	2,104.1	(209.8)	1,894.3
Operating expenses	(680.8)	(755.8)	(322.6)	(217.6)	(1,976.8)	211.7	(1,765.1)
Operating profit / (loss)	72.1	75.1	(10.0)	17.7	154.9	(0.3)	154.6
Operating profit before depreciation, amortization, impairment, costs related to early retirement programs and other restructuring costs	293.1	261.9	58.9	30.8	644.7	(0.3)	644.4
Profit / (loss) for the period	(2.6)	35.4	(12.7)	11.8	31.9	(0.9)	31.0

As mentioned in Note 10, segment OTE's loss includes an one-off cost of Euro 78.5 which concerns the OTE's Voluntary Leave Scheme and other early retirement programs.

Six month period ended June 30, 2014	OTE	COSMOTE GROUP	TELEKOM ROMANIA	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	703.9	807.7	294.5	108.2	1,914.3	-	1,914.3
Intersegment revenue	39.2	51.2	11.9	95.8	198.1	(198.1)	-
Total revenues	743.1	858.9	306.4	204.0	2,112.4	(198.1)	1,914.3
Operating expenses	(600.5)	(744.8)	(324.4)	(192.8)	(1,862.5)	200.1	(1,662.4)
Operating profit	143.3	115.3	6.5	13.1	278.2	-	278.2
Operating profit before depreciation, amortization, impairment, costs related to early retirement programs and other restructuring costs	281.7	288.1	83.4	26.4	679.6	-	679.6
Profit for the period	49.5	63.9	3.2	10.8	127.4	(0.8)	126.6

14. RELATED PARTY DISCLOSURES

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

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

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

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

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

	1st Half 2015		1st Half 2014	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE group of companies	36.7	53.1	32.1	31.3
OTE INTERNATIONAL INVESTMENTS LTD	0.3	1.8	0.4	2.1
COSMO-ONE	-	0.3	-	0.3
VOICENET	n/a	n/a	0.6	1.0
OTE SAT – MARITEL	0.2	0.1	0.3	0.2
OTE PLUS	0.2	19.0	0.2	30.2
OTE ESTATE	0.2	21.8	-	23.0
OTE-GLOBE	5.0	24.5	5.6	26.8
OTE ACADEMY	0.1	3.4	-	3.0
TELEKOM ROMANIA	-	-	-	0.1
OTE RURAL NORTH	1.6	-	-	-
OTE RURAL SOUTH	1.9	-	-	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.9	0.8	0.1	0.3
TOTAL	**47.1**	**124.8**	**39.3**	**118.3**

The Group's purchases and sales with related parties which are not eliminated in the consolidation are analyzed as follows:

	1st Half 2015		1st Half 2014	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	12.0	13.4	12.4	9.8
TOTAL	**12.0**	**13.4**	**12.4**	**9.8**

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

	Finance expense OTE	
	1st Half 2015	1st Half 2014
OTE PLC	41.5	65.6
TOTAL	**41.5**	**65.6**

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

	Dividend income OTE	
	1st Half 2015	1st Half 2014
OTE SAT - MARITEL	0.6	1.0
OTE INSURANCE	-	0.1
TOTAL	**0.6**	**1.1**

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

	30/06/2015		31/12/2014	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE group of companies	40.5	108.2	85.7	117.2
OTE INTERNATIONAL INVESTMENTS LTD	0.1	0.7	0.2	1.0
COSMO-ONE	-	0.3	-	0.1
OTE SAT – MARITEL	4.1	4.5	3.3	4.5
OTE PLUS	0.4	17.5	0.5	23.6
OTE ESTATE	1.3	-	0.5	4.6
OTE-GLOBE	13.7	46.3	14.8	53.5
OTE ACADEMY	0.6	1.8	0.5	1.1
TELEKOM ROMANIA	0.5	-	0.5	0.2
OTE RURAL NORTH	2.0	-	-	-
OTE RURAL SOUTH	2.3	-	-	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	1.9	17.1	1.3	1.6
TOTAL	**67.4**	**196.4**	**107.3**	**207.4**

OTE's payables to DEUTSCHE TELEKOM group of companies include dividend payable amounting to Euro 15.7 as of June 30, 2015 (December 31, 2014: nill).

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

	30/06/2015		31/12/2014	
	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)	28.1	84.8	17.3	72.6
TOTAL	**28.1**	**84.8**	**17.3**	**72.6**

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

	Amounts owed by OTE	
	30/06/2015	31/12/2014
OTE PLC	1,763.4	2,344.5
TOTAL	**1,763.4**	**2,344.5**

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

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 3.0 (including the employer's contributions to pension funds where applicable) for the first half of 2015 (first half of 2014: Euro 3.0).

As of June 30, 2015, 678,314 options under OTE's share based payment plan have been granted to the Company's key management personnel.

15. LITIGATION AND CLAIMS

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

There are no significant developments with respect to the litigations and claims referred to the financial statements as of December 31, 2014, except for the following:

TELENOR: In 2014, TELENOR notified COSMOTE that after thorough examination it has identified violations of the warranties provided by COSMOTE at the sale of GLOBUL and claimed an amount of Euro 15.4 based on the alleged incurred loss so far. In the first half of 2015, TELENOR reduced the amount to Euro 9.6, reserving the right to raise further claims depending on the outcome of the pending legal and tax cases. The Group is evaluating the validity of TELENOR's claim.

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value and fair value hierarchy of financial instruments

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 that 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	**30/06/2015**	**31/12/2014**	**30/06/2015**	**31/12/2014**
Financial Assets				
Trade receivables	738.7	684.9	738.7	684.9
Loans to pension funds	96.0	116.1	131.1	148.5
Loans and advances to employees	49.8	70.7	49.8	70.7
Guaranteed receipt from grantor (Financial assets model)	19.6	2.9	19.6	2.9
Restricted cash	3.9	4.5	3.9	4.5
Cash and cash equivalents	1,085.7	1,509.9	1,085.7	1,509.9
Financial Liabilities				
Long-term borrowings	1,480.7	2,173.1	1,301.9	2,232.1
Short-term borrowings and short-term portion of long-term borrowings	667.4	465.4	635.0	468.4
Trade accounts payable	1,004.6	998.4	1,004.6	998.4

	Carrying Amount		Fair value	
COMPANY	**30/06/2015**	**31/12/2014**	**30/06/2015**	**31/12/2014**
Financial Assets				
Trade receivables	364.5	349.1	364.5	349.1
Loans to pension funds	96.0	116.1	131.1	148.5
Loans and advances to employees	49.3	70.1	49.3	70.1
Cash and cash equivalents	137.7	613.1	137.7	613.1
Financial Liabilities				
Long-term borrowings	940.3	1,316.7	786.4	1,320.9
Short-term borrowings and short-term portion of long-term borrowings	805.9	962.6	779.3	961.8
Trade accounts payable	384.1	387.6	384.1	387.6

The fair value of cash and cash equivalents, trade receivables, restricted cash, loans and advances to employees 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.

LOANS TO THE AUXILIARY PENSION FUND/TAYTEKO

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 Pension Fund/TAYTEKO in order to cover the Lump Sum benefits due to participants of the 2005 Voluntary Leave Scheme. Based on the loan agreements signed (the initial on October 23, 2006 and the amendments on October 30, 2007 and on May 21, 2008), the total amount granted was Euro 189.3, 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.

Furthermore, based on L. 3762/2009 (2009 Voluntary Leave Scheme), OTE was required to grant an interest-free long-term loan to the Auxiliary Pension Fund/TAYTEKO for the Lump Sum benefits that TAYTEKO would 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 duration of 22 years. At the date of the contractual commitment, the loan was discounted to its present value.

These loans are exposed to credit risk related to the debt servicing capacity of the Fund.

In 2015, TAYTEKO informed OTE that it is experiencing severe financial distress and liquidity problems. Following further discussions and extensive negotiations with the competent Ministry of Labor, Social Security and Social Solidarity and the management of TAYTEKO and aiming to secure OTE's interests, an agreement was reached on the restructuring of the two loans, as per below:

- Reduction of the installments from the current level of Euro 11.8 per annum to Euro 6.6 per annum for the next 2 years and to Euro 7.4 per annum from the 3rd year onwards and up to maturity.
- Extension of the Euro 189.3 loan maturity for 7 years and of the Euro 30 loan maturity for 3.8 years.

OTE's and TAYTEKO's Board of Directors approved the restructuring of the two loans in the way described above. Following these approvals, an amendment was signed on May 28, 2015, describing the terms of the loans' restructuring.

As a result, a charge of Euro 17.0 (before tax) was recorded in the income statement of the first half of 2015, being the impact of this restructuring on the present value of these loans and is included in the line "Impairment of investments and financial assets". The nominal value of these loans has not been affected by the restructuring.

OTHER FINANCIAL ASSETS

As at June 30, 2015, the Group and the Company held the following financial instruments measured at fair value:

	Fair value		
GROUP	**30/06/2015**	**31/12/2014**	**Fair value hierarchy**
Financial Assets			
Available-for-sale mutual funds	3.5	3.7	Level 1
Available-for-sale mutual funds	3.1	-	Level 3
Other non-current financial assets	-	3.9	Level 3

	Fair value		
COMPANY	**30/06/2015**	**31/12/2014**	**Fair value hierarchy**
Financial Assets			
Available-for-sale mutual funds	2.1	2.2	Level 1

FINANCIAL RISK MANAGEMENT

Macroeconomic conditions in Greece – Capital controls

The macroeconomic and financial environment in Greece has become volatile. On June 28, 2015, capital controls were imposed in the country, which include a daily limit on all ATM withdrawals and restrictions on payments abroad, consequently affecting domestic transactions and dealings with foreign suppliers and creditors. As a result, residential customers, corporate customers and public sector are likely to delay payments of their obligations, adversely affecting the liquidity of the Group and the Company. In addition, the Group's and the Company's debt is totally owed to creditors outside Greece. Assuming the currently imposed capital controls remain in force, the Group and the Company will need to seek approval from the appropriate authorities in order to use cash and cash equivalents held in Greece to settle this debt. Finally, the Group's and the Company's operations in Greece are to a significant extent dependent on foreign suppliers. Assuming the currently imposed capital controls remain in force, the Group and the Company will need to seek approval from the appropriate authorities in order to use cash and cash equivalents held in Greece to settle payments to suppliers outside Greece. The instability of the Greek banking sector and the resulting imposition of capital controls have created an even more uncertain economic situation in Greece, which may affect the Group's and the Company's business, results of operations, financial condition and prospects.

On July 12, 2015, the Euro Summit agreed to consider Greece's request for financial assistance from the European Stability Mechanism ("ESM") of up to Euro 86 billion, on the condition that the Greek authorities legislate a first set of measures ("prior actions"). As of July 23, 2015, the Greek parliament approved the agreed prior actions and is now set to proceed to discussions with the Institutions in order to agree and finalize a third bailout program. The discussions for the third bailout program are expected to be finalized by the end of August 2015.

The Group's Greek operations continue without any disruption; however management is not able to accurately predict the likely developments in the Greek economy and the resulting future impact on the Group's operations. Notwithstanding this, based on management's assessment and on the assumption that the third bailout program will be agreed and implemented, no material negative impact on the Group's Greek operations is anticipated in the medium to long term. Management has therefore concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of June 30, 2015.

In this uncertain economic environment, management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's Greek operations.

Financial Risks

The below stated risks are significantly affected by the capital controls imposed as well as the macroeconomic and financial environment in Greece, as analyzed above.

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 mutual funds and other securities. These financial asset categories are not considered to expose the Group and the Company to a significant credit risk.

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Group and the Company. However, due to the large number of customers and 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 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. Furthermore, concentration of risk is considered to exist for amounts receivable from the public sector.

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 and loans to Auxiliary Pension Fund/TAYTEKO mainly due to the Voluntary Leave Scheme. The latter loans (Auxiliary Pension Fund/TAYTEKO) are exposed to credit risk related to the debt servicing capacity of the Fund.

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 June 30, 2015 amount to Euro 1,092.3 and Euro 139.8 respectively and their debt amounts to Euro 2,148.1 and Euro 1,746.2, 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. The Group manages interest rate risk through a combination of fixed and floating rate borrowings.

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).

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 2015 compared to 2014, coming from a decrease in net debt (due to a decrease in borrowings) and an increase in equity (through the profit of the period):

GROUP	June 30, 2015	December 31, 2014
Borrowings	2,148.1	2,638.5
Cash and cash equivalents	(1,085.7)	(1,509.9)
Other current financial assets	(6.6)	(3.7)
Net debt	**1,055.8**	**1,124.9**
Equity	2,501.6	2,498.4
Gearing ratio	**0.42x**	**0.45x**

17. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after June 30, 2015, are as follows:

INCOME TAX

Based on Law 4334/2015 published on July 16, 2015, the income tax rate of legal entities in Greece increased from 26% to 29% and the income tax prepayment increased from 80% to 100%, effective from January 1, 2015. The net effect of the tax rate change in the income tax of the Group and the Company will be positive in the income statement and is estimated to be Euro 23.3 and Euro 17.9, respectively and will be recorded in the third quarter of 2015.

REBRANDING OF AMC

On July 22, 2015, after the necessary approvals, AMC was renamed to TELEKOM ALBANIA.

V. FINANCIAL DATA AND INFORMATION

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Greek General Commercial Registry ("Γ.Ε.ΜΗ.") 1037501000

REGISTERED OFFICE: 99 KIFISSIAS AVE - 15124 MAROUSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2015 TO JUNE 30, 2015

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

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

Supervising Authority: Ministry of Economy, Infrastructure, Marine and Tourism, Corporate and Greek General Commercial Registry Division
Company's Web Site: www.ote.gr
Date of approval of financial statements from the Board of Directors: August 5, 2015
The Certified Auditor: Despina Marinou (RN ICA(GR): 17681)
Auditing Company: PricewaterhouseCoopers S.A. Certified Auditors - Accountants (SOEL REG: No 113)
Type of Auditor's Opinion: Unqualified - Emphasis of matter

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

	GROUP		COMPANY	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
ASSETS				
Property, plant and equipment	2.967,5	3.103,3	1.229,1	1.277,5
Intangible assets	1.669,3	1.649,5	251,7	230,4
Other non current assets	500,8	557,6	3.841,8	3.885,9
Inventories	109,5	87,9	14,4	11,8
Trade receivables	738,7	684,9	364,5	349,1
Other current assets	272,2	211,2	107,7	112,9
Cash and cash equivalents	1.085,7	1.509,9	137,7	613,1
TOTAL ASSETS	**7.343,7**	**7.804,3**	**5.946,9**	**6.480,7**
EQUITY AND LIABILITIES				
Share capital	1.387,1	1.387,1	1.387,1	1.387,1
Other equity items	743,0	734,9	1.265,7	1.300,4
Equity attributable to shareholders of the parent (a)	2.130,1	2.122,0	2.652,8	2.687,5
Non-controlling interests (b)	371,5	376,4	-	-
Total equity (c) = (a) + (b)	**2.501,6**	**2.498,4**	**2.652,8**	**2.687,5**
Long - term borrowings	1.480,7	2.173,1	940,3	1.316,7
Provisions / Other non current liabilities	633,6	697,9	540,7	600,3
Short - term borrowings	667,4	465,4	805,9	962,6
Other current liabilities	2.060,4	1.969,5	1.007,2	913,6
Total liabilities (d)	**4.842,1**	**5.305,9**	**3.294,1**	**3.793,2**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**7.343,7**	**7.804,3**	**5.946,9**	**6.480,7**

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

	01.01-30.06.2015	01.01-30.06.2014	01.04-30.06.2015	01.04-30.06.2014
Total revenue	1.894,3	1.914,3	953,5	950,6
Profit before taxes, investment and financial activities	**154,6**	**278,2**	**35,4**	**142,0**
Profit before tax	**97,8**	**187,5**	**17,8**	**99,0**
Profit / (Loss) after tax (A)	**31,0**	**126,6**	**(8,0)**	**71,7**
Attributable to:				
- Owners of the parent	36,8	125,1	(3,6)	69,3
- Non - controlling interests	(5,8)	1,5	(4,4)	2,4
Other comprehensive income after tax (B)	**11,2**	**14,2**	**1,9**	**15,7**
Total comprehensive income / (loss) after tax (A)+(B)	**42,2**	**140,8**	**(6,1)**	**87,4**
Attributable to:				
- Owners of the parent	47,1	131,9	3,5	78,6
- Non - controlling interests	(4,9)	8,9	(9,6)	8,8
Basic earnings / (losses) per share (in €)	**0,0753**	**0,2571**	**(0,0074)**	**0,1422**
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**555,2**	**673,7**	**235,2**	**342,5**

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

	01.01-30.06.2015	01.01-30.06.2014	01.04-30.06.2015	01.04-30.06.2014
Total revenue	746,6	743,1	374,2	371,8
Profit / (Loss) before taxes, investment and financial activities	**72,1**	**143,3**	**(1,2)**	**68,8**
Profit / (Loss) before tax	9,6	77,7	(39,5)	37,0
Profit / (Loss) after tax (A)	**(2,6)**	**49,5**	**(34,1)**	**23,6**
Other comprehensive income / (loss) after tax (B)	**6,9**	**(13,8)**	**20,7**	**(7,9)**
Total comprehensive income / (loss) after tax (A)+(B)	**4,3**	**35,7**	**(13,4)**	**15,7**
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**214,6**	**281,7**	**69,0**	**137,6**

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

	GROUP		COMPANY	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Total equity at the beginning of the period (01.01.2015 and 01.01.2014)	**2.498,4**	**2.295,7**	**2.687,5**	**2.616,8**
Total comprehensive income after tax	42,2	140,8	4,3	35,7
Dividend distribution	(39,1)	(0,1)	(39,1)	-
Acquisition of treasury shares for purposes of share option plan	-	(52,5)	-	(52,5)
Transfer of treasury shares upon exercise of share option plan	0,1	58,6	0,1	58,6
Exercise of share options under the share option plan	-	(32,9)	-	(32,9)
Total equity at the end of the period (30.06.2015 and 30.06.2014)	**2.501,6**	**2.409,6**	**2.652,8**	**2.625,7**

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

	GROUP		COMPANY	
	01.01-30.06.2015	01.01-30.06.2014	01.01-30.06.2015	01.01-30.06.2014
Cash flows from operating activities				
Profit before tax	97,8	187,5	9,6	77,7
Adjustments for:				
Depreciation, amortization and impairment	400,6	395,5	142,5	138,4
Costs related to early retirement programs	85,7	2,7	78,5	-
Provision for staff retirement indemnities	5,8	4,7	4,5	3,6
Provision for youth account	1,7	1,4	1,7	1,4
Provision for write down of inventories	3,4	2,9	1,4	-
Provision for doubtful accounts	44,2	42,1	10,2	10,2
Other provisions	-	2,8	-	(0,1)
Foreign exchange differences, net	(1,2)	0,1	(0,7)	(0,1)
Interest income	(1,5)	(3,2)	(1,0)	(1,1)
Dividend income	-	-	(0,6)	(1,1)
(Gains) / losses from investments and financial assets - Impairments	(16,1)	(0,1)	17,0	(0,1)
Interest expense	75,6	93,9	47,8	68,0
Working capital adjustments:				
Decrease / (increase) in inventories	(24,9)	(16,3)	(4,0)	1,0
Increase in receivables	(165,2)	(29,0)	(47,8)	(4,7)
(Decrease) / increase in liabilities (except borrowings)	55,1	(77,3)	12,8	(14,9)
Plus / (Minus):				
Payment for early retirement programs and voluntary leave scheme	(3,4)	(107,1)	(1,6)	(103,8)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(17,6)	(6,8)	(17,6)	(6,6)
Interest and related expenses paid	(96,8)	(155,5)	(90,0)	(112,4)
Income taxes paid	(16,3)	(89,6)	(8,7)	(39,6)
Net cash flows from operating activities (a)	**426,9**	**248,7**	**154,0**	**15,8**
Cash flows from investing activities				
Sale or maturity of financial assets	-	12,4	-	9,0
Repayment of loans receivable	5,6	6,0	5,6	6,0
Purchase of property, plant and equipment and intangible assets	(367,8)	(280,9)	(118,8)	(99,8)
Movement in restricted cash	0,6	0,8	-	-
Proceeds from disposal of subsidiaries / investments, net of cash disposed	-	(2,2)	-	-
Interest received	1,6	2,3	1,1	1,0
Dividends received	-	-	-	0,6
Net cash flows used in investing activities (b)	**(360,0)**	**(261,6)**	**(112,1)**	**(83,2)**
Cash flows from financing activities				
Share option plan	-	(32,9)	18,2	(32,9)
Proceeds from loans granted and issued	-	-	170,0	363,7
Repayment of loans	(493,3)	(408,7)	(705,1)	(374,0)
Dividends paid to Company's owners	(0,4)	(0,5)	(0,4)	(0,5)
Net cash flows used in financing activities (c)	**(493,7)**	**(442,1)**	**(517,3)**	**(43,7)**
Net decrease in cash and cash equivalents (a) + (b) + (c)	**(426,8)**	**(455,0)**	**(475,4)**	**(111,1)**
Cash and cash equivalents, at the beginning of the period	**1.509,9**	**1.444,3**	**613,1**	**426,6**
Net foreign exchange differences	2,6	6,7	-	-
Cash and cash equivalents, at the end of the period	**1.085,7**	**996,0**	**137,7**	**315,5**

ADDITIONAL DATA AND INFORMATION

1) The companies which are included in the interim condensed financial statements (consolidated and separate), their country, the Group's participating interest (direct and indirect) and the method of consolidation, are presented in Notes 1 and 4 of the financial statements.

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 9 of the financial statements.

3) The outcome of pending litigation and claims is not expected to have a material impact on the financial statements. The amount of provisions that have been established as of June 30, 2015 for litigations and other risks, as well as for unaudited tax years are as follows: a) for the Group € 127.2 million and € 32.6 million respectively and b) for the Company € 119.4 million and € 16.1 million respectively.

4) Number of employees at the end of the period Group 21,713 (30.06.2014: 22,937), Company 8,451 (30.06.2014: 6,869).

5) Other comprehensive income / (loss) after tax for the first six months of 2015 which was recognized directly in equity for the Group, relates to actuarial gains € 7.0 million (net of deferred taxes), foreign currency translation € 2.9 million and the net movement of available for sale financial assets € 1.3 million (net of deferred taxes). As for the Company, it relates to actuarial gains € 7.0 million (net of deferred taxes) and the net movement available for sale financial assets € (0.1) million.

6) 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 June 30, 2015.

7) The Company's transactions with its related parties as defined in IAS 24, are analyzed as follows: Sales and purchases of goods and services for the first six months of 2015, amounted to € 47.1 million and € 124.8 million, respectively. Interest expense for the first six months of 2015 amounted to € 41.5 million. The outstanding balance of receivables and payables from / to related parties as of June 30, 2015 derived from current transactions amounted to € 67.4 million and € 196.4 million, respectively. The outstanding balance of payables to related parties from the loans received amounted to € 1,763.4 million. Dividend income from related parties amounts to € 0.6 million. Fees paid to the members of the Board of Directors of the Company and the Company's key management personnel compensation charged to the Income Statement for the first six months of 2015, amount to € 3.0 million. Based on OTE's share option plan, as of June 30, 2015, 678,314 stock options, have been granted to key management personnel. At Group level, sales and purchases of goods and services between related parties which are not eliminated, for the first six months of 2015 amounted to € 12.0 million and € 13.4 million, respectively. The outstanding balance of receivables and payables, between related parties which are not eliminated, as of June 30, 2015 derived from operating transactions amounted to € 28.1 million and € 84.8 million, respectively.

8) Basic earnings / (losses) per share were calculated based on the weighted average number of shares outstanding.

9) The assessment of the current economic situation in Greece and its implications on the Group's and Company's operations are presented in Note 16 of the financial statements.

10) The most significant events that have occurred after June 30, 2015 are presented in Note 17 of the financial statements.

Athens, August 5, 2015

CHAIRMAN AND MANAGING DIRECTOR	BOARD MEMBER AND OTE GROUP CHIEF FINANCIAL OFFICER	EXECUTIVE DIRECTOR FINANCIAL OPERATIONS OTE GROUP	ACCOUNTING DIRECTOR
MICHAEL TSAMAZ I.D. Number AB 516212	CHARALAMPOS MAZARAKIS I.D. Number AE 096808 License Number 0021943	GEORGE MAVRAKIS I.D. Number T 004893	KONSTANTINOS VASILOPOULOS I.D.Number AM 161220 License Number 032033