HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

GROUP OF COMPANIES

SIX MONTHS FINANCIAL REPORT

For the period
from January 1, 2016 to June 30, 2016

(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

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 & 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, 2016 to June 30, 2016, 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 risks and uncertainties they are facing.

Maroussi, August 10, 2016

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 10, 2016.

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, 2016 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, 2016 to June 30, 2016, the significant events which took place in the first half of 2016, 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 2016.

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

A. FINANCIAL HIGHLIGHTS OF THE 1st HALF OF 2016

OTE Group revenue decreased by 0.6% in the first half of 2016 compared to the related period of 2015 and reached Euro 1,883.2, mainly due to:

- decreased revenues from mobile business by 1.7%,
- decreased revenues from fixed business by 0.6%,
- partially offset by increased miscellaneous other revenues by 11.5%.

OTE's revenue reached Euro 768.4, reflecting an increase of 2.9% compared to the same period last year. This is a result of the increase in revenues from fixed business by 3.0% and the increase in miscellaneous other revenues by 7.1%, partially offset by the decrease in revenues from mobile business by 14.3%.

The Group's operating expenses reached Euro 1,702.9 and reflect a decrease of 3.5% compared to the same period last year. This decrease is mainly due to the decrease in personnel costs by 5.1%, in commission costs by 7.3%, in merchandise costs by 8.6%, in marketing by 9.7%, in provision for doubtful accounts by 0.9% and most significantly in the costs related to early retirement programs by 91.0%. These decreases were partially offset by the increase in interconnection and roaming costs by 8.9%, in maintenance and repairs by 6.4%, in other operating expenses by 5.7% and in depreciation amortization and impairment by 3.4%. **The Group's operating expenses before depreciation, amortization and impairment and excluding costs related to early retirement programs and other restructuring costs** reached Euro 1,279.1 compared to Euro 1,275.3 in the same period last year, reflecting an increase of 0.3%.

The Company's operating expenses reached Euro 609.9 in the first half of 2016 and reflect a decrease of 10.4% compared to the same period last year. The decrease is mainly due to the following:

- 96.7% decrease in costs related to early retirement programs,
- 7.0% decrease in personnel costs,
- 10.8% decrease in maintenance and repairs,
- 9.7% decrease in commission costs,
- 17.7% decrease in merchandise costs,
- 2.9% decrease in provision for doubtful account.

These decreases were partially offset by a 10.5% increase in interconnection and roaming costs, a 2.8% increase in other operating expenses and an 11.6% increase in depreciation, amortization and impairment. **The Company's operating expenses before depreciation, amortization and impairment and excluding costs related to early retirement programs and other restructuring costs** reached Euro 448.3 in the first half of 2016 compared to Euro 459.8 in the same period last year, reflecting a decrease of 2.5%.

As a result, **operating profit before financial activities of the Group** for the first half of 2016 reached Euro 196.4 compared to Euro 154.6 in the same period last year, reflecting an increase of 27.0%. **Operating profit before financial activities of the Company** for the first half of 2016 reached Euro 161.3 compared to Euro 72.1 in the same period last year, reflecting an increase of 123.7%.

The Group's operating profit before depreciation, amortization and impairment for the first half of 2016 reached Euro 610.5 compared to Euro 555.2 in the same period last year, reflecting an increase of 10.0%. The respective margin on revenues reached 32.4% compared to 29.3% 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 2016 reached Euro 620.2 compared to Euro 644.4 in the same period last year, reflecting a decrease of 3.8%. The respective margin on revenues reached 32.9% compared to 34.0% in the same period last year.

The Company's operating profit before depreciation, amortization and impairment for the first half of 2016 reached Euro 320.3 compared to Euro 214.6 in the same period last year, reflecting an increase of 49.3%. The respective margin on revenues reached 41.7% compared to 28.7% 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 2016 reached Euro 322.9 compared to Euro 293.1 in the same period last year, reflecting an increase of 10.2%. The respective margin on revenues reached 42.0% compared to 39.3% in the same period last year.

In relation to **the Group's financial activities**, interest expense in the first half of 2016 was Euro 71.5, reflecting a decrease of 5.4% compared to the same period last year. Interest income amounted to Euro 1.3 for the first half of 2016, reflecting a decrease of 13.3% compared to the same period last year. Gains from investments and financial assets - impairment amounted to Euro 0.6 in the first half of 2016, compared to Euro 16.1 in the same period of 2015 which was reflecting a reversal of provision in 2015 related to the sale of GLOBUL partially offset by the impact to the present value of the loans granted to the Auxiliary Pension Fund/TAYTEKO, as a result of the restructuring. Foreign exchange differences resulted in losses of Euro 0.3 in the first half of 2016 compared to gains of Euro 1.2 in the same period last year.

Income tax expense of the Group was Euro 77.8 in the first half of 2016, reflecting an increase of 16.5% compared to the same period last year.

Considering all the above, **the Group's net profit** in the first half of 2016 was Euro 48.7 compared to Euro 31.0 in the same period last year, reflecting an increase of 57.1%.

In the first half of 2016, **losses attributable to non-controlling interests** in the Group's income statement reached Euro 18.8 compared to Euro 5.8 in the same period of 2015, mainly due to 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 2016 amounted to Euro 67.5 compared to Euro 36.8 in the same period last year, reflecting an increase of 83.4%.

The Group's cash flows from operating activities in the first half of 2016 increased by 2.6% compared to the same period last year, amounting to Euro 438.0.

The Group's capital expenditure (CAPEX) for the first half of 2016 amounted to Euro 316.3 from Euro 367.8 in the same period last year, reflecting a decrease of 14.0%. The decrease is mainly due to the capital expenditure for spectrum acquisitions in Greece and Albania in the first half of 2015.

The Group's total debt as of June 30, 2016 was Euro 1,779.2 compared to Euro 2,189.1 at December 31, 2015, reflecting a decrease of 18.7%. The **Group's Net Debt** (interest bearing loans less cash and cash equivalents and other financial assets) at June 30, 2016, reached Euro 736.4 from Euro 859.8 at December 31, 2015, reflecting a decrease of 14.4%.

As of June 30, 2016, **the Group's net current liabilities** amounted to Euro 2.0 compared to **net current liabilities** of Euro 78.6 as of December 31, 2015.

B. SIGNIFICANT EVENTS OF THE 1ST HALF OF 2016

DIVIDEND

On June 23, 2016, the General Assembly of OTE's Shareholders approved the distribution of dividend of a total amount of Euro 48.9 or Euro 0.10 (in absolute amount) per share. The amount of dividends payable as of June 30, 2016 was Euro 48.9 (December 31, 2015: Euro 0.3).

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

Macroeconomic conditions in Greece – Capital controls

The macroeconomic and financial environment in Greece is showing signs of stability, however uncertainties continue to exist. The imposition of capital controls in the country on June 28, 2015 had an initial impact on the Group's Greek operations as a result of the limits on daily ATM withdrawals and restrictions on payments abroad, however this has normalised to an extent as the capital controls have been eased. Assuming that the capital controls are lifted by the end of 2016 or early 2017 and the agreed terms and conditions of the third bailout program are implemented, no material negative impact on the Group's Greek operations is anticipated.

Management continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece so as to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's Greek operations. Management is not able to accurately predict the likely developments in the Greek economy, however based on its assessment, management has concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of June 30, 2016.

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 assets are not considered to expose the Group and the Company to a significant credit risk.

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

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 prior years' Voluntary Leave Schemes. 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 other financial assets as at June 30, 2016 amount to Euro 1,042.8 and Euro 296.7 respectively and their debt amounts to Euro 1,779.2 and Euro 1,710.2, 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.

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 and to the risk of payments of suppliers in foreign currencies. The main currencies within the Group are the Euro, the Ron (Romania) and the Lek (Albania).

Other risks

The OTE Group Enterprise Risk Management System involves the early identification, assessment, communication and mitigation of corporate risks and supports management in its strategic decisions, through the evaluation and prioritization of risks, based on a unified group risk management methodology.

The OTE Group Enterprise Risk Management business unit facilitates and monitors the implementation of effective risk management practices by all involved business units, assists risk managers in determining the risk exposure amount, and prepares on a regular basis the OTE Group Risk Report.

On April 11, 2016 the OTE Group Enterprise Risk Management System was successfully attested as per the requirements of Standard ISO31000:2009 “Risk management – Principles and guidelines” for OTE and COSMOTE S.A..

a) Additional tax burdens

In the previous years the Greek State imposed increased taxation which 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 position.

b) Potential impairment losses

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

c) 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.

d) Regulatory framework

New legislation or substantial changes in legislation or national regulation may affect the company and adversely result to loss of revenues or increased costs in order to comply with new regulations. In addition, the company is subject to regular and random audits by the competent authorities, such as the ADAE and Hellenic Telecommunications and Post Committee (“HTPC”), which may impose fines in case of non-compliance.

The regulatory obligations and the competitive pressure have an impact on OTE’s ability to apply competitive pricing at retail and wholesale level and they may have a negative effect on OTE’s ability to compete effectively. According to the legal and the regulatory framework in force, the HTPC assesses OTE’s pricing policy. The pricing regulatory obligations on OTE, which stem from HTPC’s estimations that OTE has Significant Market Power (SMP), oblige OTE to charge higher prices than those applied by its competitors for the same services.

On October 27, 2015, the EU Regulation concerning the single market for electronic communications was adopted by the EU Parliament and the European Council, containing, among others, provisions on open internet access and on international roaming. The regulation provides for an initial reduction of roaming rates as of April 30, 2016 to the level of national rates plus a strictly limited surcharge. From June 15, 2017, surcharges for roaming services within the EU will then be eliminated entirely (Roam like at Home), unless permitted under a still to be specified fair usage policy.

e) Critical 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 substantial. 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 effects on customer base and company’s reputation.

OTE Group has implemented a robust Business Continuity Management System which was recently certified with ISO22301:2012 by TUV Hellas. 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 and new technologies in order to enhance Network and IT resilience and availability. Usual contingency measures include dispatchment of specialized mobile infrastructure as well as capacity reallocation plans. Enhancements of IT systems, through innovative infrastructure and technologies, ensure faster recovery time and smooth recovery of important business continuity functions, in order to mitigate potential revenue losses.

Furthermore, power availability at major sites is constantly monitored and enhanced. Two of the main Network & IT Data Centers were awarded with a Tier III-category certification by the Uptime Institute while during 2016 improvement of Electro-Mechanical network infrastructure for six more critical sites is planned to be aligned with Tier III-category requirements, according to the "Dual Feed" project.

f) Data privacy and 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 such as customer information, partner or employee data and confidential corporate information. Data theft and manipulation, denial of service (DOS) attacks and advanced persistent threats are among possible risk scenarios.

Due to new systems and services developed for end customers, the amount of customer private information that OTE processes and the fact that OTE has started to more systematically provide integrated ICT solutions, including services for large customers and public institutions has increased the risk and therefore the potential consequences of a cyber - attack.

Ensuring data security and safeguarding all sensitive data is always one of OTE Group's 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.

In order to best contain and mitigate the relevant risks, OTE Group has established a dedicated Information Security and Telecom Fraud Prevention Division to assess and mitigate the risk, which develops all necessary policies and procedures, oversees their implementation and evaluates their effectiveness (e.g. via periodic system security audits), constantly gathers and analyzes security information from various systems (e.g. Data Leakage Prevention, Identity Management, Database Activity Monitoring, Shared Account Management, Firewalls, etc.). Moreover, it has expanded its activities covering also cyber security issues of ICT solutions and has implemented a centralized warning system in order to monitor and manage physical access violation alarms triggered.

g) Sustainability risks

Corporate Responsibility is an integral part of OTE Group's business strategy, in order to create value and maintain its economic development, simultaneously supporting society and protecting the environment. The Corporate Responsibility Department is the corresponding business unit for sustainability issues.

In this context, OTE Group has set a framework to help identify emerging sustainability issues that may have an effect on business operations, supply chain and environment. Within this framework, a materiality analysis is carried out every two years, by the Corporate Responsibility and the ERM department, using the unified group ERM methodology, regarding significant strategic, economic, environmental and social aspects that have an influence on company's stakeholders' decisions and expectations.

The materiality analysis consists of the evaluation and prioritization of material sustainability issues from the company's and the external stakeholders' perspective and reflects their significant importance to the Company's strategy and their substantial effect on Company's ability to create value over the short, medium and long term.

• Climate protection

Climate change presents risks to organizations, their stakeholders and their investors. EU has set as its target the reduction of greenhouse gas (GHG) emissions by 20% in 2020 (with a view to move to a 30% decrease, as part of an agreed global effort), and by 40% reduction of GHG emissions by 2030, compared to 1990 levels. OTE Group inventories annually all emissions arising from its operation and endeavors to reduce them. Energy consumption is a major source of GHG emissions contributing to climate change (and air pollution), but also a major component of the OTE Group operational cost. The operational cost of OTE Group is also directly affected by the regulated rates of the national electricity provider, which in the future may also be affected by:

- Increases due to the fees / levies / burdens imposed to the electricity generation sector in the context of the EU emissions trading scheme (indirect regulatory risk).

- Stricter environmental regulations with mandatory provisions (e.g. energy audits of activities, heating / cooling systems, etc.).

Furthermore, reputation and market share might be affected, as surveys convey that consumers and investors tend to engage with companies that have an appropriate climate protection policy in place.

OTE Group has adopted a number of energy and emissions reduction measures, minimizing relevant risks. These measures, among others, include:

- fixed telecom technology equipment upgrading
- free cooling and separate battery cooling power systems
- rectifiers modernization
- telecommunication equipment rooms merging
- fuel saving measures, with hybrid solutions at off grid sites
- AC Modernization
- TE mobile site consolidation (LTE & SINGLE RAN)
- buildings energy upgrade
- office locations consolidation
- fleet management optimization

At the same time, OTE Group invests in developing products and services that contribute to the sustainable operations and development of all sectors of the economy, while simultaneously contributing to climate protection.

• Supply chain and Vendor relationship management

OTE Group considers sustainability in its supply chain as the base for its effective operation, its economic growth as well as its reputation maintenance and improvement. Thus, it aims to cooperate with suppliers that are environmentally aware and socially responsible.

There are risks related to supply chain disruptions and vendor relationship management that potentially may cause business operational failures, revenue losses, reputation damage and exposure to significant costs and fines as a result of third party/vendor actions (environmental damages, inadequate working conditions, child labor, fraud, etc.).

In order to mitigate these risks arising from suppliers OTE Group has adopted and implemented the following policies and procedures:

- The OTE Group Social Charter, which serves as a behavior guide for all its suppliers. The Social Charter defines the working conditions and social standards, in accordance with which OTE's products and services are produced and offered.
- The Supplier Code of Conduct, the acceptance of which is a prerequisite for signing a contract or other agreement.
- An anti-corruption clause which is also obligatory to be included into the General Order Terms or other contractual agreements to be signed with suppliers.
- Procedures for reviewing and evaluating suppliers (such as a pre-contractual integrity check and evaluation of prospective suppliers) according to the compliance criteria. These criteria include anti-bribery or anti-money laundering law infringement in the past, negative publication regarding the supplier as well as existence of the supplier to publicly available sanction lists.
- The annual suppliers' evaluation.

• Health risks related to Electromagnetic fields (EMF)

Concerns have been expressed about potential health risks related to electromagnetic signals emitted by base stations and mobile handsets. Relevant research by authorities, including the World Health Organization (WHO) and the Scientific Committee on Emerging and Newly Identified Health Risks (SCENIHR), agree there is no evidence that exposure to radio frequency fields from mobile devices and base stations operated within regulatory proposed levels may have any adverse health effects.

However, a change in this view could result in a range of impacts on services used by our customers, from a change to the national legislation to a major reduction in mobile demand and handsets usage or to major litigation and thus compensation, particularly in markets with very low tolerance for environmental and public health related risks. In mobile telecommunications, this might also affect projects like the construction of relevant network infrastructure. In the fixed network, this could have an effect on sales of traditional digital wireless telephones and devices that use Wi-Fi technology. In addition, there is a risk of regulatory interventions, such as reduced EMF thresholds by the International Commission on Non-Ionizing Radiation Protection (ICNIRP) or the introduction of additional measures for the mobile network restructuring (e.g. co-location, usage of micro-antennas, licensing updates, etc.) with an aim to develop and implement strategies for public health.

Greek reference EMF limits are 30% - 40% even stricter than ICNIRP reference levels and in case of ICNIRP limits adjustment, Greek limits will automatically follow the same reduction, according to the Greek telecommunication law. This EMF limit change may lead to difficulties concerning LTE network establishment, increased OPEX/CAPEX for new sites and fines for non-compliant sites due to network sharing. ICNIRP decision for limits revision will be published until the end of 2016.

The OTE Group recognizes and respects public concerns, and has adopted precautionary principles and measures, within the implementation of the DT EMF Policy. The levels of EMF in all base stations comply with the proposed reference limits of ICNIRP, as well as with the latest national limits set by Law 4070/2012. In addition, all products placed in COSMOTE shops bear all necessary labels required by national and EU legislation, while all handsets operate within EMF safety limits and SAR (Specific Absorption Rate) list.

• Compliance, Corruption, Bribery and Human Rights

Compliance violations (e.g. fraud, corruption, bribery, embezzlement, theft, money laundering, falsification of financial statements, unfair competition, workplace discrimination, human rights violations and any misconduct which could harm the company's reputation, or any attempts to conceal the above) which are committed either within the company or outside the company involving business partners (e.g. customers, suppliers or distributors) who are doing business with the company, could have an adverse impact on the company's financial position and reputation and might lead to fines, sanctions and limitations in business operations.

In order to avoid risks of non-compliance with the legislation in force as well as other legal consequences for the Company and its personnel, the Management has adopted and implemented a Compliance Management System (C.M.S.), in the framework of which the Management has also adopted a Whistleblowing Policy and the relevant communication channels of the "Tell me" Process (Tell me, Whistleblowing). Moreover, in the context of the System's implementation, relevant Compliance Policies have been also adopted, including, inter alia, the OTE Group Code of Conduct, the Policy on Avoiding Corruption and other Conflicts of Interest, the Anti-Fraud Policy, the Policy on Accepting and Granting of Benefits, the Donations and Sponsorships Policy, the Policy on Anti-Trust Law as well as the Insider Trading Policy.

Compliance stands for a solid commitment to the principles of integrity, transparency, justice, professionalism, team spirit, and of respect to the rules, principles which are essential to govern the functions of the company.

• Critical Enterprise Contracts and Business Resilience

Associated advances and continuous changes in technology make telecommunications services even more critical for small, medium and large businesses (e.g. cloud, mobile, fixed technologies and solutions). This market segment requests from telecom providers a higher level of customer service in order to support these advanced and personalized solutions. Competition is focused mostly on innovative services and it depends heavily on the ability to deliver products and services in a reliable and timely manner.

The OTE Group aims to ensure the maintenance and improvement of existing networks and installations, upgrade old systems and adapt new technologies, in a manner that minimizes business interruption and assists business resilience, in order to provide customers with high quality and innovative services. In addition, OTE Group has adopted and implemented proactive and reactive mitigation measures in order to insure the continuation of operations. A failure to deliver these high-value and complex services on a continuous and uninterrupted basis may lead to revenue reduction and increase of restoration costs (e.g. ICT disruptions, Network and IT infrastructure failures, etc.). Each of these events might have an adverse impact on the level of customer experience and satisfaction as well as on the company's reputation and image.

D. MATERIAL TRANSACTIONS WITH RELATED PARTIES

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

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

DEUTSCHE TELEKOM AG is a 40.00% 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 its related parties are analyzed as follows:

	1st Half 2016		1st Half 2015	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE group of companies	39.4	52.2	36.7	53.1
OTE INTERNATIONAL INVESTMENTS LTD	0.3	0.4	0.3	1.8
COSMO-ONE	-	0.3	-	0.3
OTE SAT-MARITEL	0.1	0.1	0.2	0.1
OTE PLUS	-	2.0	0.2	19.0
OTE ESTATE	-	20.1	0.2	21.8
OTE-GLOBE	7.1	28.2	5.0	24.5
OTE ACADEMY	0.2	3.1	0.1	3.4
OTE RURAL NORTH	4.4	-	1.6	-
OTE RURAL SOUTH	1.7	-	1.9	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	3.6	3.6	0.9	0.8
TOTAL	**56.8**	**110.0**	**47.1**	**124.8**

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

	1st Half 2016		1st Half 2015	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	17.0	18.0	12.0	13.4
TOTAL	**17.0**	**18.0**	**12.0**	**13.4**

OTE's other operating income with its related parties is analyzed as follows:

	OTE's other operating income	
	1st Half 2016	1st Half 2015
COSMOTE group of companies	-	0.2
TOTAL	**-**	**0.2**

The Group's other operating income with its related parties which is not eliminated in the consolidation is analyzed as follows:

	Group's other operating income	
	1st Half 2016	1st Half 2015
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	0.1
TOTAL	**0.1**	**0.1**

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

	1st Half 2016		1st Half 2015	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	40.7	-	41.5
TELEKOM ALBANIA	-	0.6	-	-
OTE RURAL NORTH	0.1	-	-	-
OTE RURAL SOUTH	0.2	-	-	-
TOTAL	**0.3**	**41.3**	**-**	**41.5**

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

	Dividend income OTE	
	1st Half 2016	1st Half 2015
OTE SAT-MARITEL	-	0.6
OTE INSURANCE	0.3	-
OTE ESTATE	0.1	-
TOTAL	**0.4**	**0.6**

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

	30/06/2016		31/12/2015	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE group of companies	62.8	142.4	64.2	130.8
OTE INTERNATIONAL INVESTMENTS LTD	0.2	-	0.1	1.1
COSMO-ONE	-	0.3	-	0.2
OTE SAT-MARITEL	3.1	0.1	3.0	0.2
OTE PLUS	-	3.6	0.4	13.2
OTE ESTATE	1.4	8.3	1.6	4.5
OTE-GLOBE	8.8	14.0	4.9	20.7
OTE ACADEMY	0.6	1.9	0.7	1.0
TELEKOM ROMANIA	0.8	-	0.8	0.2
OTE INSURANCE	0.3	-	-	-
OTE RURAL NORTH	9.1	0.3	7.3	-
OTE RURAL SOUTH	7.3	-	8.6	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.4	24.5	5.5	3.0
TOTAL	**98.8**	**195.4**	**97.1**	**174.9**

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividends payable amounting to Euro 19.6 as of June 30, 2016 (December 31, 2015: nil).

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:

	30/06/2016		31/12/2015	
	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)	74.3	137.9	63.0	105.4
TOTAL	**74.3**	**137.9**	**63.0**	**105.4**

Amounts owed by OTE Group to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividends payable amounting to Euro 19.6 as of June 30, 2016 (December 31, 2015: nil).

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

	30/06/2016		31/12/2015	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,637.1	-	1,866.3
TELEKOM ALBANIA	-	109.0	-	-
OTE RURAL NORTH	8.4	-	5.4	-
OTE RURAL SOUTH	14.0	-	10.1	-
TOTAL	**22.4**	**1,746.1**	**15.5**	**1,866.3**

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 35.9 as of June 30, 2016 (December 31, 2015: Euro 28.8).

Key management personnel and those closely related to them are defined in accordance with IAS 24 "Related Party Disclosures". Key management compensation comprises salaries and other short term benefits, termination benefits, post-employment benefits and other long term benefits (as defined in IAS 19 "Employee Benefits") and share based payments (as defined in IFRS 2 "Share-based Payment").

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 5.0 (including the employer's contributions to pension funds where applicable) for the first half of 2016 (first half of 2015: Euro 3.0).

E. SIGNIFICANT EVENTS AFTER THE END OF THE 1st HALF OF 2016

The most significant event after June 30, 2016, is as follows:

VOLUNTARY LEAVE SCHEMES

On June 22, 2016, 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 July 2016, when the participated employees left the Company. The respective cost amounted to Euro 29.9 (pre-tax) and it will be included in the consolidated and separate income statement of the third quarter of 2016.

Maroussi, August 10, 2016

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 company and consolidated statement of financial position of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A as of 30 June 2016 and the related condensed company 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.

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, 10 August 2016
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 (CONSOLIDATED AND SEPARATE)

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

GROUP OF COMPANIES

INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE) AS OF JUNE 30, 2016

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 21-43, were approved by the Board of Directors on August 10, 2016 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	Anastasios Kapenis

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

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INTERIM CONDENSED FINANCIAL STATEMENTS AS OF JUNE 30, 2016 AND FOR THE SIX MONTH PERIOD THEN ENDED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF JUNE 30, 2016 AND FOR THE SIX MONTH PERIOD THEN ENDED

INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	30/06/2016	31/12/2015	30/06/2016	31/12/2015
ASSETS					
Non-current assets					
Property, plant and equipment		2,863.3	2,950.6	1,194.3	1,216.7
Goodwill		506.3	506.4	-	-
Telecommunication licenses		517.5	543.0	3.9	4.1
Other intangible assets		499.6	533.4	199.5	214.6
Investments	4	0.1	0.1	3,539.6	3,539.5
Loans to pension funds		87.1	88.2	87.1	88.2
Deferred tax assets		344.0	339.8	152.5	149.0
Other non-current assets		100.2	88.4	76.6	65.9
Total non-current assets		**4,918.1**	**5,049.9**	**5,253.5**	**5,278.0**
Current assets					
Inventories		110.4	97.2	19.3	18.1
Trade receivables		765.8	728.6	385.9	354.4
Other financial assets		7.4	6.8	1.9	2.1
Other current assets		278.7	252.4	106.4	103.8
Restricted cash		3.7	2.8	-	-
Cash and cash equivalents		1,035.4	1,322.5	294.8	290.3
Total current assets		**2,201.4**	**2,410.3**	**808.3**	**768.7**
TOTAL ASSETS		**7,119.5**	**7,460.2**	**6,061.8**	**6,046.7**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	5	1,387.1	1,387.1	1,387.1	1,387.1
Share premium	5	496.2	496.3	496.2	496.3
Treasury shares		(14.7)	(14.7)	(14.7)	(14.7)
Statutory reserve		357.3	357.3	357.3	357.3
Foreign exchange and other reserves		(182.8)	(164.1)	(36.3)	(17.3)
Changes in non-controlling interests		(3,314.1)	(3,314.1)	-	-
Retained earnings		3,527.8	3,509.2	569.1	545.8
Total equity attributable to owners of the Parent		**2,256.8**	**2,257.0**	**2,758.7**	**2,754.5**
Non-controlling interests	4	333.7	352.2	-	-
Total equity		**2,590.5**	**2,609.2**	**2,758.7**	**2,754.5**
Non-current liabilities					
Long-term borrowings	7	1,734.8	1,755.6	1,090.0	1,089.1
Provision for staff retirement indemnities		249.1	219.1	214.5	185.4
Provision for youth account		155.1	157.2	155.1	157.2
Deferred tax liabilities		52.4	55.3	-	-
Other non-current liabilities		134.2	174.9	152.5	164.3
Total non-current liabilities		**2,325.6**	**2,362.1**	**1,612.1**	**1,596.0**
Current liabilities					
Trade accounts payable		1,145.1	1,202.5	440.8	460.4
Short-term borrowings	7	-	-	620.2	492.0
Short-term portion of long-term borrowings	7	44.4	433.5	-	256.4
Income tax payable	8	73.0	30.4	34.5	-
Deferred revenue		144.4	150.9	87.1	84.6
Provision for voluntary leave scheme		140.5	140.7	140.5	140.7
Dividends payable	6	48.9	0.3	48.9	0.3
Other current liabilities		607.1	530.6	319.0	261.8
Total current liabilities		**2,203.4**	**2,488.9**	**1,691.0**	**1,696.2**
TOTAL EQUITY AND LIABILITIES		**7,119.5**	**7,460.2**	**6,061.8**	**6,046.7**

INTERIM INCOME STATEMENT (CONSOLIDATED)

(Amounts in millions of Euro except per share data)	Notes	2nd Quarter 2016	2nd Quarter 2015	1st Half 2016	1st Half 2015
Revenue					
Fixed business:					
Retail services revenues		299.2	298.5	598.2	598.6
Wholesale services revenues		155.1	158.3	304.3	305.9
Other revenues		69.8	68.8	144.8	149.6
Total revenues from fixed business		**524.1**	**525.6**	**1,047.3**	**1,054.1**
Mobile business:					
Service revenues		326.2	332.3	639.6	650.2
Handset revenues		51.5	49.7	102.6	106.2
Other revenues		5.5	4.3	10.0	8.7
Total revenues from mobile business		**383.2**	**386.3**	**752.2**	**765.1**
Miscellaneous other revenues		**47.4**	**41.6**	**83.7**	**75.1**
Total revenues		**954.7**	**953.5**	**1,883.2**	**1,894.3**
Other operating income	9	**7.4**	**9.3**	**16.1**	**25.4**
Operating expenses					
Interconnection and roaming costs		(127.3)	(120.5)	(248.2)	(228.0)
Provision for doubtful accounts		(22.5)	(21.9)	(43.8)	(44.2)
Personnel costs		(167.8)	(173.1)	(329.6)	(347.3)
Costs related to early retirement programs		(4.8)	(81.7)	(7.7)	(85.7)
Commission costs		(32.0)	(36.9)	(67.5)	(72.8)
Merchandise costs		(65.5)	(63.3)	(127.1)	(139.0)
Maintenance and repairs		(26.2)	(25.4)	(52.9)	(49.7)
Marketing		(27.4)	(30.9)	(49.6)	(54.9)
Other operating expenses, out of which:		(183.5)	(173.9)	(362.4)	(342.9)
Rental, leasing and facility costs		*(48.9)*	*(49.0)*	*(102.2)*	*(97.8)*
Third party fees and services		*(42.7)*	*(35.2)*	*(89.5)*	*(72.7)*
Other taxes and regulatory charges		*(23.8)*	*(24.1)*	*(44.6)*	*(45.2)*
Construction cost network		*(12.1)*	*(12.1)*	*(18.4)*	*(20.5)*
Other sundry operating expenses		*(56.0)*	*(53.5)*	*(107.7)*	*(106.7)*
Total operating expenses before depreciation, amortization and impairment		**(657.0)**	**(727.6)**	**(1,288.8)**	**(1,364.5)**
Operating profit before financial activities and depreciation, amortization and impairment		**305.1**	**235.2**	**610.5**	**555.2**
Depreciation, amortization and impairment		(205.9)	(199.8)	(414.1)	(400.6)
Operating profit before financial activities		**99.2**	**35.4**	**196.4**	**154.6**
Income and expense from financial activities					
Interest and related expenses		(35.4)	(36.0)	(71.5)	(75.6)
Interest income		0.7	0.7	1.3	1.5
Foreign exchange differences, net		(1.8)	(0.6)	(0.3)	1.2
Gains / (losses) from investments and other financial assets - Impairment		0.3	18.3	0.6	16.1
Total loss from financial activities		**(36.2)**	**(17.6)**	**(69.9)**	**(56.8)**
Profit before tax		**63.0**	**17.8**	**126.5**	**97.8**
Income tax	8	(40.4)	(25.8)	(77.8)	(66.8)
Profit / (loss) for the period		**22.6**	**(8.0)**	**48.7**	**31.0**
Attributable to:					
Owners of the parent		33.6	(3.6)	67.5	36.8
Non-controlling interests		(11.0)	(4.4)	(18.8)	(5.8)
Profit / (loss) for the period		**22.6**	**(8.0)**	**48.7**	**31.0**
Earnings / (losses) per share attributable to owners of the parent					
Basic earnings / (losses) per share	10	0.0687	(0.0074)	0.1381	0.0753
Diluted earnings / (losses) per share	10	0.0687	(0.0074)	0.1381	0.0753

INTERIM INCOME STATEMENT (SEPARATE)

(Amounts in millions of Euro)	Notes	2nd Quarter		1st Half	
		2016	2015	2016	2015
Revenue					
Fixed business:					
Retail services revenues		223.3	215.7	443.9	429.7
Wholesale services revenues		87.1	81.7	168.5	163.0
Other revenues		52.0	52.3	106.5	105.3
Total revenues from fixed business		**362.4**	**349.7**	**718.9**	**698.0**
Mobile business:					
Handset revenues		5.4	6.2	10.2	11.9
Total revenues from mobile business		**5.4**	**6.2**	**10.2**	**11.9**
Miscellaneous other revenues		**21.7**	**18.3**	**39.3**	**36.7**
Total revenues		**389.5**	**374.2**	**768.4**	**746.6**
Other operating income	9	**0.5**	**1.8**	**2.8**	**6.3**
Operating expenses					
Interconnection and roaming costs		(28.7)	(24.6)	(53.7)	(48.6)
Provision for doubtful accounts		(5.0)	(5.1)	(9.9)	(10.2)
Personnel costs		(79.6)	(91.6)	(159.9)	(171.9)
Costs related to early retirement programs		-	(75.0)	(2.6)	(78.5)
Commission costs		(1.9)	(2.8)	(5.6)	(6.2)
Merchandise costs		(14.3)	(15.9)	(24.7)	(30.0)
Maintenance and repairs		(10.1)	(9.1)	(19.9)	(22.3)
Marketing		(6.1)	(6.6)	(12.7)	(13.1)
Other operating expenses, out of which:		(82.5)	(76.3)	(161.9)	(157.5)
Rental, leasing and facility costs		*(24.2)*	*(25.6)*	*(49.5)*	*(51.0)*
Third party fees and services		*(35.3)*	*(27.3)*	*(71.0)*	*(63.5)*
Other taxes and regulatory charges		*(6.3)*	*(6.0)*	*(10.4)*	*(10.3)*
Other sundry operating expenses		*(16.7)*	*(17.4)*	*(31.0)*	*(32.7)*
Total operating expenses before depreciation, amortization and impairment		**(228.2)**	**(307.0)**	**(450.9)**	**(538.3)**
Operating profit before financial activities and depreciation, amortization and impairment		**161.8**	**69.0**	**320.3**	**214.6**
Depreciation, amortization and impairment		(76.5)	(70.2)	(159.0)	(142.5)
Operating profit / (loss) before financial activities		**85.3**	**(1.2)**	**161.3**	**72.1**
Income and expense from financial activities					
Interest and related expenses		(24.3)	(21.8)	(49.4)	(47.8)
Interest income		0.6	0.5	1.1	1.0
Foreign exchange differences, net		1.2	(0.6)	1.0	0.7
Dividend income		0.4	0.6	0.4	0.6
Gains / (losses) form investments and other financial assets - Impairment		(0.1)	(17.0)	(0.2)	(17.0)
Total loss from financial activities		**(22.2)**	**(38.3)**	**(47.1)**	**(62.5)**
Profit / (loss) before tax		**63.1**	**(39.5)**	**114.2**	**9.6**
Income tax	8	(23.6)	5.4	(42.0)	(12.2)
Profit / (loss) for the period		**39.5**	**(34.1)**	**72.2**	**(2.6)**

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

	2nd Quarter		1st Half	
(Amounts in millions of Euro)	2016	2015	2016	2015
Profit / (loss) for the period	**22.6**	**(8.0)**	**48.7**	**31.0**
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains / (losses)	(12.0)	28.1	(25.6)	9.5
Deferred taxes on actuarial gains / (losses)	3.5	(7.3)	7.5	(2.5)
Total items that will not be reclassified subsequently to profit or loss	**(8.5)**	**20.8**	**(18.1)**	**7.0**
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(7.6)	(18.6)	(0.3)	2.9
Net movement in available for sale financial assets	0.2	(0.3)	-	1.9
Deferred taxes on net movement in available for sale financial assets	-	-	-	(0.6)
Total items that may be reclassified subsequently to profit or loss	**(7.4)**	**(18.9)**	**(0.3)**	**4.2**
Other comprehensive income / (loss) for the period	**(15.9)**	**1.9**	**(18.4)**	**11.2**
Total comprehensive income / (loss) for the period	**6.7**	**(6.1)**	**30.3**	**42.2**
Attributable to:				
Owners of the parent	21.7	3.5	48.8	47.1
Non-controlling interests	(15.0)	(9.6)	(18.5)	(4.9)
	6.7	**(6.1)**	**30.3**	**42.2**

INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

	2nd Quarter		1st Half	
(Amounts in millions of Euro)	2016	2015	2016	2015
Profit / (loss) for the period	**39.5**	**(34.1)**	**72.2**	**(2.6)**
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains / (losses)	(12.0)	28.1	(26.5)	9.5
Deferred taxes on actuarial gains / (losses)	3.4	(7.3)	7.6	(2.5)
Total items that will not be reclassified subsequently to profit or loss	**(8.6)**	**20.8**	**(18.9)**	**7.0**
Items that may be reclassified subsequently to profit or loss				
Net movement in available for sale financial assets	-	(0.1)	(0.1)	(0.1)
Total items that may be reclassified subsequently to profit or loss	**-**	**(0.1)**	**(0.1)**	**(0.1)**
Other comprehensive income / (loss) for the period	**(8.6)**	**20.7**	**(19.0)**	**6.9**
Total comprehensive income / (loss) for the period	**30.9**	**(13.4)**	**53.2**	**4.3**

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

	Attributed to owners of the parent								Non-controlling interests	Total equity
(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		
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	-	-	-	-	10.3	-	-	**10.3**	0.9	**11.2**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**10.3**	**-**	**36.8**	**47.1**	**(4.9)**	**42.2**
Dividend distribution	-	-	-	-	-	-	(39.1)	**(39.1)**	-	**(39.1)**
Transfer of treasury shares upon exercise of share option plan	-	-	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**
Balance as at January 1, 2016	**1,387.1**	**496.3**	**(14.7)**	**357.3**	**(164.1)**	**(3,314.1)**	**3,509.2**	**2,257.0**	**352.2**	**2,609.2**
Profit / (loss) for the period	-	-	-	-	-	-	67.5	**67.5**	(18.8)	**48.7**
Other comprehensive income / (loss)	-	-	-	-	(18.7)	-	-	**(18.7)**	0.3	**(18.4)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**(18.7)**	**-**	**67.5**	**48.8**	**(18.5)**	**30.3**
Dividend distribution (see Note 6)	-	-	-	-	-	-	(48.9)	**(48.9)**	-	**(48.9)**
Share matching plan	-	(0.1)	-	-	-	-	-	**(0.1)**	-	**(0.1)**
Balance as at June 30, 2016	**1,387.1**	**496.2**	**(14.7)**	**357.3**	**(182.8)**	**(3,314.1)**	**3,527.8**	**2,256.8**	**333.7**	**2,590.5**

The accompanying notes on pages 28-43 form an integral part of these financial statements.

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, 2015	**1,387.1**	**496.7**	**(14.8)**	**352.7**	**(31.1)**	**496.9**	**2,687.5**
Loss for the period	-	-	-	-	-	(2.6)	**(2.6)**
Other comprehensive income	-	-	-	-	6.9	-	**6.9**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**6.9**	**(2.6)**	**4.3**
Dividend distribution	-	-	-	-	-	(39.1)	**(39.1)**
Transfer of treasury shares upon exercise of share option plan	-	-	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**
Balance as at January 1, 2016	**1,387.1**	**496.3**	**(14.7)**	**357.3**	**(17.3)**	**545.8**	**2,754.5**
Profit for the period	-	-	-	-	-	72.2	**72.2**
Other comprehensive loss	-	-	-	-	(19.0)	-	**(19.0)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**(19.0)**	**72.2**	**53.2**
Dividend distribution (see Note 6)	-	-	-	-	-	(48.9)	**(48.9)**
Share matching plan	-	(0.1)	-	-	-	-	**(0.1)**
Balance as at June 30, 2016	**1,387.1**	**496.2**	**(14.7)**	**357.3**	**(36.3)**	**569.1**	**2,758.7**

The accompanying notes on pages 28-43 form an integral part of these financial statements.

INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP 01/01-30/06/2016	GROUP 01/01-30/06/2015	COMPANY 01/01-30/06/2016	COMPANY 01/01-30/06/2015
Cash flows from operating activities					
Profit before tax		126.5	97.8	114.2	9.6
Adjustments for:					
Depreciation, amortization and impairment		414.1	400.6	159.0	142.5
Costs related to early retirement programs		7.7	85.7	2.6	78.5
Provision for staff retirement indemnities		5.9	5.8	4.6	4.5
Provision for youth account		1.5	1.7	1.5	1.7
Provision for write down of inventories		2.7	3.4	-	1.4
Provision for doubtful accounts		43.8	44.2	9.9	10.2
Foreign exchange differences, net		0.3	(1.2)	(1.0)	(0.7)
Interest income		(1.3)	(1.5)	(1.1)	(1.0)
Dividend income		-	-	(0.4)	(0.6)
(Gains) / losses from investments and financial assets - Impairments		(0.6)	(16.1)	0.2	17.0
Interest and related expenses		71.5	75.6	49.4	47.8
Working capital adjustments:					
Decrease / (increase) in inventories		(15.9)	(24.9)	(1.2)	(4.0)
Decrease / (increase) in receivables		(128.2)	(165.2)	(50.6)	(47.8)
(Decrease) / increase in liabilities (except borrowings)		15.5	55.1	36.0	12.8
Plus /(Minus):					
Payment for early retirement programs and voluntary leave scheme		(8.7)	(3.4)	(3.8)	(1.6)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(7.4)	(17.6)	(7.4)	(17.6)
Interest and related expenses paid		(55.1)	(96.8)	(39.7)	(90.0)
Income taxes paid		(34.3)	(16.3)	(0.4)	(8.7)
Net cash flows from operating activities		**438.0**	**426.9**	**271.8**	**154.0**
Cash flows from investing activities					
Loans granted		-	-	(7.0)	-
Repayment of loans receivable		3.4	5.6	3.4	5.6
Purchase of property plant and equipment and intangible assets		(316.3)	(367.8)	(138.2)	(118.8)
Movement in restricted cash		(0.9)	0.6	-	-
Interest received		1.3	1.6	1.1	1.1
Net cash flows used in investing activities		**(312.5)**	**(360.0)**	**(140.7)**	**(112.1)**
Cash flows from financing activities					
Share option plans		(0.2)	-	(0.2)	18.2
Proceeds from loans granted and issued	7	-	-	350.0	170.0
Repayment of loans	7	(411.9)	(493.3)	(476.1)	(705.1)
Dividends paid to Company's owners		(0.3)	(0.4)	(0.3)	(0.4)
Net cash flows used in financing activities		**(412.4)**	**(493.7)**	**(126.6)**	**(517.3)**
Net increase / (decrease) in cash and cash equivalents		**(286.9)**	**(426.8)**	**4.5**	**(475.4)**
Cash and cash equivalents, at the beginning of the period		**1,322.5**	**1,509.9**	**290.3**	**613.1**
Net foreign exchange differences		(0.2)	2.6	-	-
Cash and cash equivalents, at the end of the period		**1,035.4**	**1,085.7**	**294.8**	**137.7**

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.cosmote.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, 2016 holds a 40.00% interest in OTE (see Note 5).

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, 2016 and for the six month period then ended, were approved for issuance by the Board of Directors on August 10, 2016.

The total numbers of Group and Company employees as of June 30, 2016 and 2015 and as of December 31, 2015 were as follows:

	GROUP	COMPANY
June 30, 2016	21,497	8,653
December 31, 2015	21,573	8,496
June 30, 2015	21,713	8,451

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	30/06/2016 GROUP's OWNERSHIP INTEREST	31/12/2015 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%
OTE ESTATE S.A. ("OTE ESTATE")	Real estate	Greece	100.00%	100.00%
OTE INTERNATIONAL SOLUTIONS S.A. ("OTE-GLOBE")	Wholesale telephony services	Greece	100.00%	100.00%
HATWAVE HELLENIC-AMERICAN TELECOMMUNICATIONS WAVE LTD ("HATWAVE")	Investment holding company	Cyprus	52.67%	52.67%
OTE INSURANCE AGENCY S.A. ("OTE INSURANCE")	Insurance brokerage services	Greece	100.00%	100.00%
OTE ACADEMY S.A. ("OTE ACADEMY")	Training services	Greece	100.00%	100.00%
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%

COMPANY NAME	LINE OF BUSINESS	COUNTRY	30/06/2016	31/12/2015
			GROUP's OWNERSHIP INTEREST	
TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A. ("TELEKOM ROMANIA MOBILE")	Mobile telecommunications services	Romania	86.20%	86.20%
TELEKOM ALBANIA	Mobile telecommunications services	Albania	99.76%	99.76%
GERMANOS S.A. ("GERMANOS")	Retail services	Greece	100.00%	100.00%
COSMOTE E-VALUE	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 management 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%

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, 2015, which are available on the Company's website https://www.cosmote.gr/fixed/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, available-for-sale financial assets and derivative financial instruments which have been measured at fair values in accordance with IFRS.

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, 2015.

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, 2015 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, 2016, 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

- IAS 19 (Amendment) "Employee Benefits": 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": 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".

- IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortization": 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.

- IAS 27 (Amendment) "Separate Financial Statements": 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.

- IAS 1 (Amendments) "Disclosure initiative": 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.

Annual Improvements to IFRSs 2012:

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:

The amendments set out below describe the key changes to four IFRSs.

- **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".

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, 2016, 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 European Union ("EU").

- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after January 1, 2018): 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 Group is currently analyzing its products in order to decide which approach available by the standard will be adopted. The standard has not yet been endorsed by the EU.

- **IFRS 16 "Leases"** (effective for annual periods beginning on or after January 1, 2019): IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The standard has not yet been endorsed by the EU.

- **IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"** (effective for annual periods beginning on or after January 1, 2017): These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

- **IAS 7 (Amendments) "Disclosure initiative"** (effective for annual periods beginning on or after January 1, 2017): These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been endorsed by the EU.

- **IFRS 2 (Amendments) "Classification and measurement of Share-based Payment transactions"** (effective for annual periods beginning on or after January 1, 2018): These amendments clarify the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. They also introduce an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
(a) Investments in subsidiaries	-	-	3,539.5	3,539.4
(b) Other investments	0.1	0.1	0.1	0.1
TOTAL	**0.1**	**0.1**	**3,539.6**	**3,539.5**

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	30/06/2016	31/12/2015
COSMOTE	100.00%	Greece	2,763.0	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			**3,539.5**	**3,539.4**

NON-CONTROLLING INTERESTS

The Group's non-controlling interests amounted to Euro 333.7 as of June 30, 2016 (December 31, 2015: Euro 352.2), out of which an amount of Euro 330.7 relates to TELEKOM ROMANIA (December 31, 2015: Euro 349.2), representing the 45.99% on TELEKOM ROMANIA's equity, which is owned by the Romanian State.

5. SHARE CAPITAL-SHARE PREMIUM

OTE's share capital as of June 30, 2016 and December 31, 2015, 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, 2016 and December 31, 2015, amounted to Euro 496.2 and Euro 496.3 respectively.

The following is an analysis of the ownership of OTE's shares as of June 30, 2016:

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	211,532,331	43.16%
Private investors	32,181,600	6.56%
Treasury shares	1,361,260	0.28%
TOTAL	**490,150,389**	**100.00%**

6. DIVIDENDS

On June 23, 2016, the General Assembly of OTE's Shareholders approved the distribution of dividend of a total amount of Euro 48.9 or Euro 0.10 (in absolute amount) per share. The amount of dividends payable as of June 30, 2016 was Euro 48.9 (December 31, 2015: Euro 0.3).

7. LONG-TERM AND SHORT-TERM BORROWINGS

LONG – TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/06/2016	31/12/2015
(a) Syndicated loans	94.4	116.4
(b) Global Medium-Term Note Programme	1,684.8	2,072.7
Total long-term debt	**1,779.2**	**2,189.1**
Short-term portion	(44.4)	(433.5)
Long-term portion	**1,734.8**	**1,755.6**

The analysis of the Group's long-term debt is as follows:

Description	Coupon	Maturity	31/12/2015		30/06/2016			
			Outstanding nominal value	Book value	Repayments/ Prepayments	Amortisation of expenses	Outstanding nominal value	Book value
	a) Syndicated loans							
EBRD loan	Euribor +5.25%	25/04/2018	118.1	116.4	(22.5)	0.5	95.6	94.4
	b) Global Medium-Term Note Programme							
Euro 700.0	3.500%	09/07/2020	700.0	693.0	-	0.7	700.0	693.7
Euro 350.0	4.375%	02/12/2019	350.0	344.8	-	(0.3)	350.0	344.5
Euro 700.0	7.875%	07/02/2018	650.0	645.7	-	0.9	650.0	646.6
Euro 900.0	4.625%	20/05/2016	389.4	389.2	(389.4)	0.2	-	-
			2,207.5	**2,189.1**	**(411.9)**	**2.0**	**1,795.6**	**1,779.2**

COMPANY	30/06/2016	31/12/2015
Intercompany loans from OTE PLC	1,090.0	1,345.5
Total long-term debt	**1,090.0**	**1,345.5**
Short-term portion	-	(256.4)
Long-term portion	**1,090.0**	**1,089.1**

The analysis of the Company's long-term loans is as follows:

Description	Maturity	31/12/2015		30/06/2016			
		Outstanding nominal value	Book value	Repayments/ Prepayments	Amortisation of expenses	Outstanding nominal value	Book value
Euro 700.0 loan	09/07/2020	700.0	693.0	-	0.7	700.0	693.7
Euro 150.0 loan	02/12/2019	150.0	147.8	-	(0.2)	150.0	147.6
Euro 250.0 loan	07/02/2018	250.0	248.3	-	0.4	250.0	248.7
Euro 575.0 loan	19/05/2016	237.1	236.6	(237.1)	0.5	-	-
Euro 20.0 loan	19/05/2016	20.0	19.8	(20.0)	0.2	-	-
		1,357.1	**1,345.5**	**(257.1)**	**1.6**	**1,100.0**	**1,090.0**

SHORT –TERM BORROWINGS

COMPANY

The outstanding balance of short-term borrowings as of June 30, 2016 for the Company amounted to Euro 620.2 (December 31, 2015: Euro 492.0), out of which Euro 511.2 have been granted by OTE PLC and Euro 109.0 have been granted by TELEKOM ALBANIA.

The analysis of short-term loans is as follows:

Description	Maturity	31/12/2015	30/06/2016			
		Book value	New loans 2016	Repayments/ Prepayments	Amortisation of expenses	Book value
Euro 50.0 loan	10/05/2017	-	50.0	-	-	50.0
Euro 50.0 loan	04/05/2017	-	50.0	-	-	50.0
Euro 50.0 loan	27/04/2017	-	50.0	-	-	50.0
Euro 50.0 loan	04/04/2017	-	50.0	-	-	50.0
Euro 50.0 loan	28/03/2017	-	50.0	-	-	50.0
Euro 50.0 loan	21/03/2017	-	50.0	-	-	50.0
Euro 50.0 loan	14/03/2017	-	50.0	-	-	50.0
Euro 48.5 loan	08/12/2016	47.3	-	-	0.6	47.9
Euro 51.4 loan	15/11/2016	50.2	-	-	0.7	50.9
Euro 51.3 loan	08/11/2016	50.1	-	-	0.7	50.8
Euro 25.0 loan	25/10/2016	25.0	-	-	-	25.0
Euro 70.3 loan	19/10/2016	68.4	-	-	1.2	69.6
Euro 26.0 loan	12/10/2016	26.0	-	-	-	26.0
Euro 30.0 loan	19/05/2016	29.9	-	(30.0)	0.1	-
Euro 30.3 loan	06/04/2016	29.9	-	(29.0)	(0.9)	-
Euro 41.8 loan	28/03/2016	41.2	-	(40.0)	(1.2)	-
Euro 62.8 loan	16/03/2016	62.0	-	(60.0)	(2.0)	-
Euro 62.7 loan	08/03/2016	62.0	-	(60.0)	(2.0)	-
		492.0	**350.0**	**(219.0)**	**(2.8)**	**620.2**

8. INCOME TAXES

The corporate income tax rate of legal entities in Greece is set at 29% for fiscal year 2015 onwards.

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	None
COSMOTE	2010
OTE INTERNATIONAL INVESTMENTS LTD	2010 - 2015
COSMO-ONE	2010
OTE PLC	2014 - 2015
OTESAT-MARITEL	None
OTE PLUS	2010
OTE ESTATE	None
OTE-GLOBE	2010
OTE INSURANCE	2010
OTE ACADEMY	2010
HATWAVE	1996 - 2015
OTE INVESTMENTS SERVICES S.A.	2010
TELEKOM ROMANIA	2007 - 2015
NEXTGEN	2008 - 2015
TELEKOM ALBANIA	2013 - 2015
TELEKOM ROMANIA MOBILE	2013 - 2015
GERMANOS	2010
COSMOTE E-VALUE	2010
GERMANOS TELECOM ROMANIA S.A.	2009 - 2015

COMPANY	Open Tax Years
SUNLIGHT ROMANIA S.R.L. - FILIALA	2009 - 2015
MOBILBEEEP LTD	2010 - 2015
COSMOHOLDING ROMANIA LTD	2009 - 2015
ZAPP	2009 - 2015
E-VALUE LTD	2010
COSMOHOLDING INTERNATIONAL B.V.	2014 - 2015
E-VALUE INTERNATIONAL S.A.	2014 - 2015
OTE RURAL NORTH	2014 - 2015
OTE RURAL SOUTH	2014 - 2015

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 that are subject to the Tax Certificate process, the tax audit for the financial year 2015 has been completed by PricewaterhouseCoopers S.A. and the "Tax Compliance Reports" will be issued in the third quarter of 2016.

- The tax audit for OTESAT - MARITEL for the years 2009 and 2010 was completed without any impact for the Group.
- The tax audit for OTE ESTATE for the years 2008 - 2010 was completed without any impact for the Group.

The major components of income tax expense are as follows:

	2nd Quarter		1st Half	
GROUP	2016	2015	2016	2015
Current income tax	37.8	15.9	77.6	52.3
Deferred income tax	2.6	9.9	0.2	14.5
Total income tax	**40.4**	**25.8**	**77.8**	**66.8**

	2nd Quarter		1st Half	
COMPANY	2016	2015	2016	2015
Current income tax	18.0	(9.2)	37.9	-
Deferred income tax	5.6	3.8	4.1	12.2
Total income tax	**23.6**	**(5.4)**	**42.0**	**12.2**

Income tax payable for the Group and the Company as of June 30, 2016 amounted to Euro 73.0 and Euro 34.5, respectively (December 31, 2015: Euro 30.4 and nil, respectively).

Income tax receivable for the Group and the Company as of June 30, 2016 amounted to Euro 20.8 and Euro 7.7, respectively (December 31, 2015: Euro 29.7 and Euro 10.7 respectively) and is recorded under “Other current assets”.

9. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

	2nd Quarter		1st Half	
GROUP	2016	2015	2016	2015
Income from disposal of property, plant and equipment	1.0	2.5	3.1	8.5
Income from contract penalties	2.6	3.1	5.1	9.8
Income from investment property	1.9	1.8	3.7	3.7
Other	1.9	1.9	4.2	3.4
TOTAL	**7.4**	**9.3**	**16.1**	**25.4**

	2nd Quarter		1st Half	
COMPANY	2016	2015	2016	2015
Income from disposal of property, plant and equipment	0.4	1.0	2.2	1.0
Income from contract penalties	-	0.4	-	4.4
Other	0.1	0.4	0.6	0.9
TOTAL	**0.5**	**1.8**	**2.8**	**6.3**

10. 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	2016	2015	2016	2015
Profit / (loss) attributable to owners of the parent	33.6	(3.6)	67.5	36.8
Weighted average number of shares for basic earnings per share	488,789,129	488,784,710	488,789,129	488,782,586
Share options	347,380	4,040,815	347,380	4,040,815
Weighted average number of shares adjusted for the effect of dilutions	488,940,408	488,923,294	488,931,568	488,928,810
Basic earnings / (losses) per share	0.0687	(0.0074)	0.1381	0.0753
Diluted earnings / (losses) per share	0.0687	(0.0074)	0.1381	0.0753

(Earnings per share are in absolute amounts)

11. 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. This category comprises all the other operations of the Group, the most material of which relate to the Group's real estate subsidiary, OTE Estate, the Group's international carrier, OTE Globe and the Group's financing subsidiary, OTE PLC. The types of services provided by the reportable segments are as follows:

- OTE is a provider of fixed-line services, internet access services, ICT 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 fixed-line services, internet access services, ICT 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, 2016	OTE	COSMOTE GROUP	TELEKOM ROMANIA	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	715.2	740.7	274.0	153.3	1,883.2	-	1,883.2
Intersegment revenue	53.2	81.4	12.6	63.2	210.4	(210.4)	-
Total revenue	768.4	822.1	286.6	216.5	2,093.6	(210.4)	1,883.2
Operating expenses	(609.9)	(762.6)	(334.7)	(205.5)	(1,912.7)	209.8	(1,702.9)
Operating profit / (loss)	161.3	62.5	(38.0)	12.5	198.3	(1.9)	196.4
Operating profit / (loss) before depreciation, amortization, impairment, costs related to early retirement programs and other restructuring costs	322.9	238.5	35.7	25.2	622.3	(2.1)	620.2
Profit / (loss) for the period	72.2	11.1	(41.1)	9.0	51.2	(2.5)	48.7

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 revenue	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 / (loss) 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

12. 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 its related parties are analyzed as follows:

	1st Half 2016		1st Half 2015	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE group of companies	39.4	52.2	36.7	53.1
OTE INTERNATIONAL INVESTMENTS LTD	0.3	0.4	0.3	1.8
COSMO-ONE	-	0.3	-	0.3
OTE SAT-MARITEL	0.1	0.1	0.2	0.1
OTE PLUS	-	2.0	0.2	19.0
OTE ESTATE	-	20.1	0.2	21.8
OTE-GLOBE	7.1	28.2	5.0	24.5
OTE ACADEMY	0.2	3.1	0.1	3.4
OTE RURAL NORTH	4.4	-	1.6	-
OTE RURAL SOUTH	1.7	-	1.9	-
DEUTSCHE TELEKOM group of companies (except for OTE group)	3.6	3.6	0.9	0.8
TOTAL	**56.8**	**110.0**	**47.1**	**124.8**

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

	1st Half 2016		1st Half 2015	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	17.0	18.0	12.0	13.4
TOTAL	**17.0**	**18.0**	**12.0**	**13.4**

OTE's other operating income with its related parties is analyzed as follows:

	OTE's other operating income	
	1st Half 2016	1st Half 2015
COSMOTE group of companies	-	0.2
TOTAL	**-**	**0.2**

The Group's other operating income with its related parties which is not eliminated in the consolidation is analyzed as follows:

	Group's other operating income	
	1st Half 2016	1st Half 2015
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	0.1
TOTAL	**0.1**	**0.1**

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

	1st Half 2016		1st Half 2015	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	40.7	-	41.5
TELEKOM ALBANIA	-	0.6	-	-
OTE RURAL NORTH	0.1	-	-	-
OTE RURAL SOUTH	0.2	-	-	-
TOTAL	**0.3**	**41.3**	**-**	**41.5**

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

	Dividend income OTE	
	1st Half 2016	1st Half 2015
OTE SAT-MARITEL	-	0.6
OTE INSURANCE	0.3	-
OTE ESTATE	0.1	-
TOTAL	**0.4**	**0.6**

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

	30/06/2016		31/12/2015	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE group of companies	62.8	142.4	64.2	130.8
OTE INTERNATIONAL INVESTMENTS LTD	0.2	-	0.1	1.1
COSMO-ONE	-	0.3	-	0.2
OTE SAT–MARITEL	3.1	0.1	3.0	0.2
OTE PLUS	-	3.6	0.4	13.2
OTE ESTATE	1.4	8.3	1.6	4.5
OTE-GLOBE	8.8	14.0	4.9	20.7
OTE ACADEMY	0.6	1.9	0.7	1.0
TELEKOM ROMANIA	0.8	-	0.8	0.2
OTE INSURANCE	0.3	-	-	-
OTE RURAL NORTH	9.1	0.3	7.3	-
OTE RURAL SOUTH	7.3	-	8.6	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.4	24.5	5.5	3.0
TOTAL	**98.8**	**195.4**	**97.1**	**174.9**

Amounts owed by OTE to DEUTSCHE TELEKOM (except for OTE Group) group of companies include dividend payable amounting to Euro 19.6 as of June 30, 2016 (December 31, 2015: nil).

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:

	30/06/2016		31/12/2015	
	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)	74.3	137.9	63.0	105.4
TOTAL	**74.3**	**137.9**	**63.0**	**105.4**

Amounts owed by OTE Group to DEUTSCHE TELEKOM (except for OTE Group) group of companies include dividends payable amounting to Euro 19.6 as of June 30, 2016 (December 31, 2015: nil).

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

	30/06/2016		31/12/2015	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,637.1	-	1,866.3
TELEKOM ALBANIA	-	109.0	-	-
OTE RURAL NORTH	8.4	-	5.4	-
OTE RURAL SOUTH	14.0	-	10.1	-
TOTAL	**22.4**	**1,746.1**	**15.5**	**1,866.3**

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 35.9 as of June 30, 2016 (December 31, 2015: Euro 28.8).

Key management Personnel and those closely related to them are defined in accordance with IAS 24 "Related Party Disclosures". Key management compensation comprises salaries and other short term benefits, termination benefits, post-employment benefits and other long term benefits (as defined in IAS 19 "Employee Benefits") and share based payments (as defined in IFRS 2 "Share-based Payment").

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 5.0 (including the employer's contributions to pension funds where applicable) for the first half of 2016 (first half of 2015: Euro 3.0).

13. 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, 2015, except for the following:

OTE

LAN-NET S.A.: LAN-NET through a lawsuit against OTE before the Athens Multimember Court of First Instance, claimed an amount of Euro 175.7, but following the hearing, said Court decided that LAN-NET was obliged to deposit a guarantee in favor of OTE which LAN-NET did not paid. Based on this, OTE requested the withdrawal of LAN-NET's lawsuit before the Athens Multimember Court of First Instance. The case was heard on June 4, 2015, and the Court, in April 2016, accepted the request of OTE for the withdrawal of LANNET's lawsuit.

NOKIA Siemens Networks S.A. and Siemens S.A. Electrotechnical Projects and Products: On December 13, 2012 OTE was notified about NOKIA Siemens Networks S.A. filing a lawsuit against OTE before the Athens Multimember Court of First Instance claiming the payment of an aggregate amount of Euro 22.2 plus interest, related to outstanding invoices from 2007 until 2010 (the invoices were not paid because OTE denied to recognise the transfer to NOKIA Siemens Networks S.A. of the contracts between OTE and SIEMENS S.A. and Siemens S.A. Electrotechnical Projects and Products). The hearing of this case, together with an Intervention by Siemens S.A. Electrotechnical Projects and Products to the abovementioned lawsuit requesting the payment of said amount to Siemens S.A. Electrotechnical Projects and Products, was held on October 7, 2015 and in May 2016 the Athens Multimember Court of First Instance decided that OTE was liable to pay to NOKIA Solutions and Networks Hellas S.A. (former NOKIA Siemens Networks S.A.) an amount of Euro 22.1 plus interest from the date that each invoice became outstanding and due. The decision has been declared provisionally enforceable for an amount of Euro 4.4, which has been paid by OTE on June 30, 2016. OTE's appeal against the Court of First Instance decision is currently being considered.

COSMOTE

HTPC: On July 20 2016, HTPC notified COSMOTE about a complaint filed by the electronic communications operator, WIND Hellas, against COSMOTE and VODAFONE, for alleged violation of Competition Law, relating to retail prices to their subsidiaries in Albania, for the period from February 2012 and up to this day and alleged violation of article 26, L.3728/2008 regarding intragroup transactions. COSMOTE is asked by HTPC to submit requested data and its views on the complaint.

14. 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	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Financial Assets				
Trade receivables	765.8	728.6	765.8	728.6
Loans to pension funds	93.5	94.7	136.3	129.6
Loans and advances to employees	61.8	55.7	61.8	55.7
Guarantees	6.3	6.0	6.3	6.0
Guaranteed receipt from Grantor (Financial assets model)	36.9	25.6	36.9	25.6
Other prepayments	119.0	100.7	119.0	100.7
Restricted cash	3.7	2.8	3.7	2.8
Cash and cash equivalents	1,035.4	1,322.5	1,035.4	1,322.5
Financial Liabilities				
Long-term borrowings	1,734.8	1,755.6	1,790.1	1,779.7
Short-term borrowings and short-term portion of long-term borrowings	44.4	433.5	45.9	438.8
Trade accounts payable	1,145.1	1,202.5	1,145.1	1,202.5

	Carrying amount		Fair value	
COMPANY	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Financial Assets				
Trade receivables	385.9	354.4	385.9	354.4
Loans to pension funds	93.5	94.7	136.3	129.6
Loans and advances to employees	61.3	55.1	61.3	55.1
Guarantees	0.2	0.2	0.2	0.2
Loans to group companies	22.4	15.5	21.7	14.9
Other prepayments	29.2	28.4	29.2	28.4
Cash and cash equivalents	294.8	290.3	294.8	290.3
Financial Liabilities				
Long-term borrowings	1,090.0	1,089.1	1,108.9	1,077.1
Short-term borrowings and short-term portion of long-term borrowings	620.2	748.4	622.7	752.0
Trade accounts payable	440.8	460.4	440.8	460.4

The fair value of cash and cash equivalents, restricted cash, trade receivables, loans and advances to employees (short-term portion), trade accounts payable, guarantees, guaranteed receipt for Grantor and other prepayments approximate their carrying amounts. The fair values of the remaining financial assets and financial liabilities are based on cash flows discounted using either direct or indirect observable inputs and are within the Level 2 of the fair value hierarchy.

As at June 30, 2016, the Group and the Company held the following financial instruments measured at fair value:

	Fair value		
GROUP	30/06/2016	31/12/2015	Fair value hierarchy
Financial Instruments			
Available-for-sale mutual funds	3.3	3.6	Level 1
Available-for-sale mutual funds	4.1	3.2	Level 3

	Fair value		
COMPANY	30/06/2016	31/12/2015	Fair value hierarchy
Financial Instruments			
Available-for-sale mutual funds	1.9	2.1	Level 1

FINANCIAL RISK MANAGEMENT

Macroeconomic conditions in Greece – Capital controls

The macroeconomic and financial environment in Greece is showing signs of stability, however uncertainties continue to exist. The imposition of capital controls in the country on June 28, 2015 had an initial impact on the Group's Greek operations as a result of the limits on daily ATM withdrawals and restrictions on payments abroad, however this has normalised to an extent as the capital controls have been eased. Assuming that the capital controls are lifted by the end of 2016 or early 2017 and the agreed terms and conditions of the third bailout program are implemented, no material negative impact on the Group's Greek operations is anticipated.

Management continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece so as to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's Greek operations. Management is not able to accurately predict the likely developments in the Greek economy, however based on its assessment, Management has concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of June 30, 2016.

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 assets are not considered to expose the Group and the Company to a significant credit risk.

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Group and the Company. However, due to the large number of customers and 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.

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 prior years' Voluntary Leave Schemes. 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 other financial assets as at June 30, 2016 amount to Euro 1,042.8 and Euro 296.7 respectively and their debt amounts to Euro 1,779.2 and Euro 1,710.2, 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.

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 and to the risk of payments of suppliers in foreign 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 financial assets.

The table below shows a decrease in the gearing ratio in 2016 compared to 2015 mainly coming from a decrease in net debt.

GROUP	June 30, 2016	December 31, 2015
Borrowings	1,779.2	2,189.1
Cash and cash equivalents	(1,035.4)	(1,322.5)
Other financial assets	(7.4)	(6.8)
Net debt	**736.4**	**859.8**
Equity	2,590.5	2,609.2
Gearing ratio	**0.28x**	**0.33x**

15. RECLASSIFICATIONS

For better presentation purposes an amount of Euro 4.6 has been reclassified from "Other sundry operating expenses" to "Construction cost network" in the consolidated income statement of the first half of 2015 and second quarter of 2015.

16. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant event after June 30, 2016, is as follows:

VOLUNTARY LEAVE SCHEMES

On June 22, 2016, 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 July 2016, when the participated employees left the Company. The respective cost amounted to Euro 29.9 (pre-tax) and it will be included in the consolidated and separate income statement of the third quarter of 2016.

V. FINANCIAL DATA AND INFORMATION

OTE GROUP OF COMPANIES

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, 2016 TO JUNE 30, 2016

(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.cosmote.gr
Date of approval of financial statements from the Board of Directors: August 10, 2016
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

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

	GROUP		COMPANY	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
ASSETS				
Property, plant and equipment	2.863,3	2.950,6	1.194,3	1.216,7
Intangible assets	1.523,4	1.582,8	203,4	218,7
Other non current assets	531,4	516,5	3.855,8	3.842,6
Inventories	110,4	97,2	19,3	18,1
Trade receivables	765,8	728,6	385,9	354,4
Other current assets	289,8	262,0	108,3	105,9
Cash and cash equivalents	1.035,4	1.322,5	294,8	290,3
TOTAL ASSETS	**7.119,5**	**7.460,2**	**6.061,8**	**6.046,7**
EQUITY AND LIABILITIES				
Share capital	1.387,1	1.387,1	1.387,1	1.387,1
Other equity items	869,7	869,9	1.371,6	1.367,4
Equity attributable to shareholders of the parent (a)	2.256,8	2.257,0	2.758,7	2.754,5
Non-controlling interests (b)	333,7	352,2	-	-
Total equity (c) = (a) + (b)	**2.590,5**	**2.609,2**	**2.758,7**	**2.754,5**
Long - term borrowings	1.734,8	1.755,6	1.090,0	1.089,1
Provisions / Other non current liabilities	590,8	606,5	522,1	506,9
Short - term borrowings	44,4	433,5	620,2	748,4
Other current liabilities	2.159,0	2.055,4	1.070,8	947,8
Total liabilities (d)	**4.529,0**	**4.851,0**	**3.303,1**	**3.292,2**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**7.119,5**	**7.460,2**	**6.061,8**	**6.046,7**

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

	01.01-30.06.2016	01.01-30.06.2015	01.04-30.06.2016	01.04-30.06.2015
Total revenues	1.883,2	1.894,3	954,7	953,5
Profit before taxes, investment and financial activities	**196,4**	**154,6**	**99,2**	**35,4**
Profit before tax	126,5	97,8	63,0	17,8
Profit / (loss) after tax (A)	**48,7**	**31,0**	**22,6**	**(8,0)**
Attributable to:				
- Owners of the parent	67,5	36,8	33,6	(3,6)
- Non - controlling interests	(18,8)	(5,8)	(11,0)	(4,4)
Other comprehensive income / (loss) after tax (B)	**(18,4)**	**11,2**	**(15,9)**	**1,9**
Total comprehensive income / (loss) after tax (A)+(B)	**30,3**	**42,2**	**6,7**	**(6,1)**
Attributable to:				
- Owners of the parent	48,8	47,1	21,7	3,5
- Non - controlling interests	(18,5)	(4,9)	(15,0)	(9,6)
Basic earnings / (losses) per share (in €)	**0,1381**	**0,0753**	**0,0687**	**(0,0074)**
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**610,5**	**555,2**	**305,1**	**235,2**

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

	01.01-30.06.2016	01.01-30.06.2015	01.04-30.06.2016	01.04-30.06.2015
Total revenue	768,4	746,6	389,5	374,2
Profit / (loss) before taxes, investment and financial activities	**161,3**	**72,1**	**85,3**	**(1,2)**
Profit / (loss) before tax	114,2	9,6	63,1	(39,5)
Profit / (loss) after tax (A)	**72,2**	**(2,6)**	**39,5**	**(34,1)**
Other comprehensive income / (loss) after tax (B)	**(19,0)**	**6,9**	**(8,6)**	**20,7**
Total comprehensive income / (loss) after tax (A)+(B)	**53,2**	**4,3**	**30,9**	**(13,4)**
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**320,3**	**214,6**	**161,8**	**69,0**

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

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Total equity at the beginning of the period (01.01.2016 and 01.01.2015)	**2.609,2**	**2.498,4**	**2.754,5**	**2.687,5**
Total comprehensive income after tax	30,3	42,2	53,2	4,3
Dividend distribution	(48,9)	(39,1)	(48,9)	(39,1)
Transfer of treasury shares upon exercise of share option plan	-	0,1	-	0,1
Share matching plan	(0,1)	-	(0,1)	-
Total equity at the end of the period (30.06.2016 and 30.06.2015)	**2.590,5**	**2.501,6**	**2.758,7**	**2.652,8**

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

	GROUP		COMPANY	
	01.01-30.06.2016	01.01-30.06.2015	01.01-30.06.2016	01.01-30.06.2015
Cash flows from operating activities				
Profit before tax	126,5	97,8	114,2	9,6
Adjustments for:				
Depreciation, amortization and impairment	414,1	400,6	159,0	142,5
Costs related to early retirement programs	7,7	85,7	2,6	78,5
Provision for staff retirement indemnities	5,9	5,8	4,6	4,5
Provision for youth account	1,5	1,7	1,5	1,7
Provision for write down of inventories	2,7	3,4	-	1,4
Provision for doubtful accounts	43,8	44,2	9,9	10,2
Foreign exchange differences, net	0,3	(1,2)	(1,0)	(0,7)
Interest income	(1,3)	(1,5)	(1,1)	(1,0)
Dividend income	-	-	(0,4)	(0,6)
(Gains) / losses from investments and financial assets - Impairments	(0,6)	(16,1)	0,2	17,0
Interest and related expenses	71,5	75,6	49,4	47,8
Working capital adjustments:				
Decrease / (increase) in inventories	(15,9)	(24,9)	(1,2)	(4,0)
Decrease / (increase) in receivables	(128,2)	(165,2)	(50,6)	(47,8)
(Decrease) / increase in liabilities (except borrowings)	15,5	55,1	36,0	12,8
Plus / (Minus):				
Payment of early retirement programs and voluntary leave scheme	(8,7)	(3,4)	(3,8)	(1,6)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(7,4)	(17,6)	(7,4)	(17,6)
Interest and related expenses paid	(55,1)	(96,8)	(39,7)	(90,0)
Income taxes paid	(34,3)	(16,3)	(0,4)	(8,7)
Net cash flows from operating activities (a)	**438,0**	**426,9**	**271,8**	**154,0**
Cash flows from investing activities				
Loans granted	-	-	(7,0)	-
Repayment of loans receivable	3,4	5,6	3,4	5,6
Purchase of property, plant and equipment and intangible assets	(316,3)	(367,8)	(138,2)	(118,8)
Movement in restricted cash	(0,9)	0,6	-	-
Interest received	1,3	1,6	1,1	1,1
Net cash flows used in investing activities (b)	**(312,5)**	**(360,0)**	**(140,7)**	**(112,1)**
Cash flows from financing activities				
Share option plan	(0,2)	-	(0,2)	18,2
Proceeds from loans granted and issued	-	-	350,0	170,0
Repayment of loans	(411,9)	(493,3)	(476,1)	(705,1)
Dividends paid to Company's owners	(0,3)	(0,4)	(0,3)	(0,4)
Net cash flows used in financing activities (c)	**(412,4)**	**(493,7)**	**(126,6)**	**(517,3)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(286,9)**	**(426,8)**	**4,5**	**(475,4)**
Cash and cash equivalents, at the beginning of the period	**1.322,5**	**1.509,9**	**290,3**	**613,1**
Net foreign exchange differences	(0,2)	2,6	-	-
Cash and cash equivalents, at the end of the period	**1.035,4**	**1.085,7**	**294,8**	**137,7**

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 8 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, 2016 for litigations and other risks, as well as for unaudited tax years are as follows: a) for the Group € 127.3 million and € 30.7 million respectively and b) for the Company € 112.8 million and € 16.1 million respectively.
4) Number of employees at the end of the period Group 21,497 (30.06.2015: 21,713), Company 8,653 (30.06.2015: 8,451).
5) Other comprehensive income / (loss) after tax for the first six months of 2016 which was recognized directly in equity for the Group, relates to actuarial losses € (18.1) million (net of deferred taxes) and foreign currency translation € (0,3) million (net of deferred taxes).
As for the Company, it relates to actuarial losses € (18.9) million (net of deferred taxes) and the net movement in available for sale financial assets € (0.1) million (net of deferred taxes).
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, 2016.
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 2016, amounted to € 56.8 million and € 110.0 million, respectively. Finance income and expense for the first six months of 2016 amounted to € 0.3 million and € 41.3 million, respectively. The outstanding balance of receivables and payables from / to related parties as of June 30, 2016 derived from current transactions amounted to € 98.8 million and € 195.4 million, respectively. The outstanding balance of loans receivables granted to and payables to related parties amounted to € 22.4 million and € 1,746.1 million, respectively. Dividend income from related parties amounts to € 0.4 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 2016, amounted to € 5.0 million. At Group level, sales and purchases of goods and services between related parties which are not eliminated, for the first six months of 2016 amounted to € 17.0 million and € 18.0 million, respectively. The outstanding balance of receivables and payables, between related parties which are not eliminated, as of June 30, 2016 derived from operating transactions amounted to € 74.3 million and € 137.9 million, respectively.
8) Basic earnings per share were calculated based on the weighted average number of shares outstanding.
9) The most significant event that has occurred after June 30, 2016 is presented in Note 16 of the financial statements.

Athens, August 10, 2016

CHAIRMAN AND MANAGING DIRECTOR	BOARD MEMBER AND OTE GROUP CHIEF FINANCIAL OFFICER	EXECUTIVE DIRECTOR FINANCIAL OPERATIONS GROUP OTE	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	ANASTASIOS KAPENIS I.D.Number AK 618263 License Number 0086190