HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

GROUP OF COMPANIES

SIX MONTHS FINANCIAL REPORT

For the period
from January 1, 2017 to June 30, 2017

(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

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, 2017 to June 30, 2017, 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 2, 2017

Chairman & Managing Director	Board Member	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 2, 2017.

II. HALF YEAR REPORT OF THE BOARD OF DIRECTORS

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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, 2017 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, 2017 to June 30, 2017, the significant events which took place in the first half of 2017, 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 2017.

This report also refers to Alternative Performance Measures. For details on purpose and calculations refer to Alternative Performance Measures Section (Section F).

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

A. FINANCIAL HIGHLIGHTS OF 1st HALF OF 2017

OTE Group revenue decreased by 0.8% in the first half of 2017 compared to the related period of 2016 and reached Euro 1,867.8, mainly due to:

- decreased revenues from mobile business by 2.0%,
- decreased miscellaneous other revenues by 27.4%,
- partially offset by increased revenues from fixed business by 2.1%.

OTE's revenue reached Euro 782.8, reflecting an increase of 1.9% compared to the same period last year. This is a result of the increase in revenues from fixed business by 0.8%, the increase in revenue from mobile business by 49.0%, and the increase of miscellaneous other revenues by 9.7%.

The Group's operating expenses reached Euro 1,674.2 and reflect a decrease of 1.7% compared to the same period last year. This decrease is mainly due to the decrease in personnel costs by 3.4%, in marketing by 7.7%, in other operating expenses by 10.0%, in maintenance and repairs by 0.2% and in depreciation amortization and impairment by 5.2%. These decreases were partially offset by the increase in interconnection and roaming costs by 13.1%, in provision for doubtful accounts by 6.8%, in costs related to voluntary leave schemes by 39.0%, in commission costs by 2.1% and in merchandise cost by 3.3%. **The Group's operating expenses before depreciation, amortization and impairment costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations** reached Euro 1,271.0 compared to Euro 1,279.1 in the same period last year, reflecting a decrease of 0.6%.

The Company's operating expenses reached Euro 612.4 in the first half of 2017 reflecting an increase of 0.4% compared to the same period last year. The increase is mainly due to higher commission costs by 57.1%, merchandise cost by 38.5%, provision for doubtful accounts by 3.0%, and other operating expenses by 3.2%. These increases were partially offset by a 5.8% decrease in interconnection and roaming costs, a 4.9% decrease in personnel costs, a 19.2% decrease in costs related to voluntary leave schemes, as well as decreases in maintenance and repairs by 2.5% marketing by 3.9% and depreciation, amortization and impairment by 2.0%. **The Company's operating expenses before depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations** reached Euro 454.5 in the first half of 2017 compared to Euro 448.3 in the same period last year, reflecting an increase of 1.4%.

As a result, **operating profit before financial and investing activities of the Group** for the first half of 2017 reached Euro 214.8 compared to Euro 196.4 in the same period last year, reflecting an increase of 9.4%. **Operating profit before financial and investing activities of the Company** for the first half of 2017 reached Euro 173.2 compared to Euro 161.3 in the same period last year, reflecting an increase of 7.4%.

The Group's EBITDA for the first half of 2017 reached Euro 607.3 compared to Euro 610.5 in the same period last year, reflecting a decrease of 0.5%. The respective margin on revenues reached 32.5% compared to 32.4% in the same period last year. **The Group's adjusted EBITDA** for the first half of 2017 reached Euro 618.0 compared to Euro 620.2 in the same period last year, reflecting a decrease of 0.4%. The respective margin on revenues reached 33.1% compared to 32.9% in the same period last year.

The Company's EBITDA for the first half of 2017 reached Euro 329.0 compared to Euro 320.3 in the same period last year, reflecting an increase of 2.7%. The respective margin on revenues reached 42.0% compared to 41.7% in the same period last year. **The Company's adjusted EBITDA** for the first half of 2017 reached Euro 331.1 compared to Euro 322.9 in the same period last year, reflecting an increase of 2.5%. The respective margin on revenues reached 42.3% compared to 42.0% in the same period last year.

In relation to **the Group's financial activities**, interest and related expenses in the first half of 2017 was Euro 70.4, reflecting a decrease of 1.5% compared to the same period last year. Interest income amounted to Euro 0.8 for the first half of 2017, reflecting a decrease of 38.5% compared to the same period last year. Gains from investments and other financial assets - impairment were nil in the first half of 2017, compared to Euro 0.6 in the same period of 2016. Foreign exchange differences resulted in losses of Euro 10.2 in the first half of 2017 compared to losses of Euro 0.3 in the same period last year.

Income tax expense of the Group was Euro 82.7 in the first half of 2017, reflecting an increase of 6.3% compared to the same period last year.

Considering all the above, **the Group's Profit for the period** in the first half of 2017 was Euro 52.3 compared to Euro 48.7 in the same period last year, reflecting an increase of 7.4%.

In the first half of 2017, **losses attributable to non-controlling interests** in the Group's income statement reached Euro 15.2 compared to Euro 18.8 in the same period of 2016, 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 2017 remained unchanged at Euro 67.5 compared to the same period last year.

The Group's net cash flows from operating activities in the first half of 2017 decreased by 1.3% compared to the same period last year, amounting to Euro 432.1.

The Group's capital expenditure (CAPEX) for the first half of 2017 amounted to Euro 423.5 from Euro 316.3 in the same period last year, reflecting an increase of 33.9%. The increase is mainly due to accelerated investments in FTTC infrastructure.

The Group's total debt as of June 30, 2017 was Euro 2,041.8 compared to Euro 2,125.1 at December 31, 2016, reflecting a decrease of 3.9%. The **Group's Adjusted Net Debt** at June 30, 2017, reached Euro 527.4 from Euro 533.9 at December 31, 2016, reflecting a decrease of 1.2%.

B. SIGNIFICANT EVENTS OF THE 1st HALF OF 2017

Dividends

On June 20, 2017, the General Assembly of OTE's Shareholders approved the distribution of dividend of a total amount of Euro 78.2 or Euro 0.16 (in absolute amount) per share. The amount of dividends payable as of June 30, 2017 was Euro 78.2 (December 31, 2016: Euro 0.3).

C. RISKS AND UNCERTAINTIES FOR THE 2nd HALF OF 2017

OTE Group has developed the Enterprise Risk Management System that supports Management in its strategic decisions, through the identification, evaluation, communication and management of enterprise risks, including all strategic and operational mitigation and monitoring measures used in risk management, in order to safeguard the smooth operation and future corporate success in a sustainable way.

Macroeconomic conditions in Greece – Capital controls

The macroeconomic and financial environment in Greece is showing signs of stability, however uncertainties continue to exist. The capital controls initially imposed on June 28, 2015 continue to be in place but have been eased over time. The capital controls had a short term impact on the Group's Greek operations, however this has normalized. To the extent that the agreed terms and conditions of the third bailout program are implemented and assuming that the capital controls will be further eased or eliminated in the short to medium term, 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, it has concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of June 30, 2017.

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 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 Group 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 volume 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.

Group's cash and cash equivalents are mainly 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 pension funds mainly due to prior year voluntary leave schemes. The latter loans are exposed to credit risk related to the debt servicing capacity of the funds.

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, 2017 amount to Euro 1,514.4 and Euro 389.6 respectively and their short-term debt amounts to Euro 806.9 and Euro 540.6 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 in exchange rates between the functional currencies and other currencies. The main currencies within the Group are the Euro, the Ron (Romania) and the Lek (Albania).

Capital Management

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

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

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

GROUP	June 30, 2017	December 31, 2016
Long-term borrowings	1,234.9	1,941.0
Short-term portion of long-term borrowings	806.9	184.1
Cash and cash equivalents	(1,508.5)	(1,585.6)
Net debt	**533.3**	**539.5**
Total equity	2,636.4	2,651.7
Gearing ratio	**0.20x**	**0.20x**

COMPANY	June 30, 2017	December 31, 2016
Long-term borrowings	1,067.7	1,348.5
Short-term borrowings	163.0	350.0
Short-term portion of long-term borrowings	377.6	128.5
Cash and cash equivalents	(380.0)	(511.6)
Net debt	**1,228.3**	**1,315.4**
Total equity	2,864.6	2,802.7
Gearing ratio	**0.43x**	**0.47x**

d) Other risks

In OTE Group, Risk Assessment is a structured process for risk identification, analysis, evaluation and management of enterprise risks, in order to ensure better decision making by the company's competent bodies regarding their management and mitigation and the monitoring of implementation of relevant measures.

Additional tax burdens

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

Potential impairment losses

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

Additional contributions to pension funds

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

Regulatory framework

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 Hellenic Telecommunications and Post Committee ("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.

In addition, an HTPC's Decision (dated Dec. 22nd, 2016) defined the framework and the procedures for the introduction of VDSL Vectoring technology to access network. This will allow for very fast speeds, initially up to 100 Mbps to end users, and the implementation of OTE's investment plans as regards next generation access networks development.

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 unprecedented. Thus, technical infrastructure outages, due to either external factors (e.g. earthquake, flooding, etc.) or internal factors (e.g. power and air-conditioning outages, human error, etc.) cannot be ruled out. Consequently, service disruptions might appear that could result in potential revenue losses, increased rehabilitation and/or potential customer compensation costs, and consequential effects on customer base and company's reputation.

OTE Group, through a dedicated Business Continuity Management (BCM) Department, has implemented a robust BCM System which is certified with ISO 22301:2012. Comprehensive Network and IT Disaster Recovery (NDR and IT DR) Programs covering Fixed and 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.

Furthermore, power availability at major sites is constantly monitored and enhanced. Two of the main Network and IT Data Centers were awarded with a Tier III-category certification by the Uptime Institute. During 2016, improvement works of Electro-Mechanical infrastructure ("Dual Feed" project) of network critical infrastructure sites took place.

Uninterrupted provision, to DT Group, of Value Added services is safeguarded by critical infrastructure's high availability along with application switch over or diversion to alternative Data Center.

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 the amount of customer personal data 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, the risk and therefore the potential consequences of a cyber - attack have increased.

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, which, by assessing the information security and data privacy risks, develops all necessary policies and procedures, oversees their implementation, designs new security systems and infrastructure, and evaluates their effectiveness (e.g. via periodic system security audits). Moreover, in the Security Operations Center of the Division, data are collected and analyzed from multiple security systems in order to timely detect security incidents (e.g. cyber-attacks) and respond effectively.

Sustainability risks

The OTE Group aims, in every step, at economic prosperity, while contributing both to the protection of the environment, and the support of society. For this reason, sustainable development and business principles are an integral part of its strategy.

The OTE Group enterprise risk management requires, inter alia, the identification, assessment and mitigation of sustainability risks. Every two (2) years, an analysis of critical topics (Materiality Assessment) is conducted. The analysis is based on the common Enterprise Risk Management methodology on significant strategic, economic, environmental and social aspects which may have influence on the decisions and expectations of the Company's stakeholders.

In 2015, with the active participation of the OTE Group Management and its stakeholders, the identification of material issues for sustainability issues for two (2) years (2015 and 2016) was carried out.

Climate protection

Climate change presents risks to enterprises, their stakeholders and their investors. EU has set as its target the reduction of Greenhouse Gas (GHG) emissions by 20% in 2020, and by 40% reduction of GHG emissions by 2030, compared to 1990 levels.

In this context, OTE Group applies a specific environmental strategy in three (3) areas:

- Minimizing the environmental impact of its activities,
- Developing and providing products and services that enable increased productivity and environmental protection in other sectors of economic activity, and
- Reinforcement of stakeholders' environmental awareness.

In particular, OTE Group, in order to address climate change, inventories annually all direct and indirect emissions arising from its operation and endeavors to reduce them.

It's important to mention that energy consumption is a major source of GHG emissions contributing to climate change (and air pollution), while related to the operational cost of OTE Group, which 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.).

All the above could affect Group's reputation and market share, as surveys convey that consumers and investors tend to engage with companies that have an Environmental policy in place.

Taking into consideration all the above, OTE Group has adopted a number of actions for the reduction of energy consumption (and corresponding emissions) and, consequently, minimizing relevant risks and enabling, in the long term, its adaptation to climate change. These actions, among others, include:

- fixed telecom technology equipment upgrading
- free cooling and separate battery cooling power systems
- rectifiers and UPS modernization
- telecommunication equipment rooms merging
- fuel saving measures, with hybrid solutions at off grid sites
- air conditioning modernization
- mobile site technical equipment consolidation and upgrading (LTE and SINGLE RAN, new outdoor base stations)
- buildings energy upgrade
- office space consolidation
- environmental upgrading of vehicles fleet

Supply chain

OTE Group considers its supply chain management as the base for its effective operation, its economic growth as well as its reputation maintenance and improvement. This management takes into consideration the sustainable development principles. Therefore, the Group aims to cooperate with suppliers that are environmentally aware and socially responsible.

However, there are risks that potentially may cause business operational failures, revenue losses, reputation damage 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, in which the Basic Social Principles are mentioned and which the Company is committed to observe and apply wherever it operates and guarantees to notify its stakeholders and suppliers. The suppliers are expected to observe, respect and apply the Basic Social Principles to all their activities, namely, inter alia, they shall comply with the international standards, the respect to human rights and the protection of the environment.
- 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 both into the General Order Terms and also as a term in contracts 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 publicity regarding the supplier as well as the inclusion of the supplier to publicly available sanction lists.
- The annual suppliers' evaluation.

Health risks related to Electromagnetic fields (EMF)

The potential health effects of man-made sources of electromagnetic radiation fields (EMF) have attracted particular attention in the last thirty (30) years. For this reason, international scientific organizations have established safe limits of exposure to non-ionizing (EMF) radiation and a relevant legislative framework has been developed.

Research carried out and evaluated by the World Health Organization does not show any such correlation regarding telecommunications and, according to measurements by independent organizations, the values of EMF attributed to telecommunications base stations, contribute less than 30% of the total electromagnetic background in the residential areas. The electromagnetic field levels in all base stations comply with the limits recommended by the World Health Organization and the International Commission for the Protection of the Non Ionizing Radiation Protection (ICNIRP), as well as the limits set by law 4070/2012, and which is 60-70% of the ICNIRP limits [already is about fifty (50) times lower than the recommended limits of the scientific community] at free public access points. In general, OTE Group's policy is based on the application, by default, of the Prevention Principle, which is based on the principles of Transparency, Information, Participation and Promotion of Science, for all its products and services.

Possible changes concerning the above findings such as changes in national legislation, could lead to a significant reduction in demand and use of mobile devices, and in litigation and therefore compensation, especially in markets with very low tolerance for risks related to the environment and public health.

They could also affect several projects for the development of mobile telephony, as for example the construction of the infrastructure networks, as well as the sales of traditional digital wireless phones and Wi-Fi devices. Finally, there is the risk of regulatory intervention, such as the reduction in the lowest electromagnetic radiation limits by ICNIRP or the introduction of additional measures to restructure the mobile network (e.g. collocation, the exclusive use of micro-antennas, licensing, etc.) in order to develop and implement appropriate public health strategies. The process of revision of the ICNIRP limits is ongoing and a decision on a possible change of the limits is due to be published in 2017.

Compliance, Corruption, Bribery and Human Rights

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.

Compliance violations (e.g. fraud, corruption, bribery, embezzlement, theft, money laundering, falsification of financial statements (company/separate and consolidated), 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 Employees, the Management has adopted and implemented a Compliance Management System (CMS), in the framework of which the Management has also adopted a Whistleblowing Policy and the relevant communication channels of the "Tell me" Process. Moreover, in the context of the System's implementation, Compliance Policies have been adopted in order to cover important operations and procedures of the Company, 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 Donation Policy, the Sponsoring Policy, the Policy on Anti-Trust Law as well as the Insider Trading Policy.

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 existing systems and adapt new technologies, in a manner that minimizes business interruption and contributes to 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 ensure 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 (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 sales and purchases with its related parties are analyzed as follows:

	1st Half 2017		1st Half 2016	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	49.0	63.2	38.2	52.2
COSMOTE TV PRODUCTIONS	0.2	0.2	0.3	0.4
COSMO-ONE	-	0.3	-	0.3
OTE SAT-MARITEL	0.1	0.1	0.1	0.1
OTE PLUS	-	0.8	-	2.0
OTE ESTATE	0.2	21.9	-	20.1
OTE GLOBE	6.2	26.4	7.1	28.2
OTE ACADEMY	0.1	1.5	0.2	3.1
TELEKOM ROMANIA	0.1	-	-	-
OTE RURAL NORTH	2.8	0.2	4.4	-
OTE RURAL SOUTH	6.4	0.1	1.7	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.7	2.4	3.6	3.6
TOTAL	**69.8**	**117.1**	**55.6**	**110.0**

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

	1st Half 2017		1st Half 2016	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	19.4	16.5	17.0	18.0
TOTAL	**19.4**	**16.5**	**17.0**	**18.0**

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

	Other operating income OTE	
	1st Half 2017	1st Half 2016
COSMOTE Group - Greece	0.6	-
OTE ESTATE	0.1	-
TOTAL	**0.7**	**-**

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 2017	1st Half 2016
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 2017		1st Half 2016	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	29.7	-	40.7
COSMOTE Group - Albania	-	2.0	-	0.6
OTE RURAL NORTH	0.2	-	0.1	-
OTE RURAL SOUTH	0.3	-	0.2	-
TOTAL	**0.5**	**31.7**	**0.3**	**41.3**

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

	Dividend income OTE	
	1st Half 2017	1st Half 2016
OTE SAT-MARITEL	0.6	-
OTE INSURANCE	-	0.3
OTE ESTATE	55.0	0.1
TOTAL	**55.6**	**0.4**

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

	30/06/2017		31/12/2016	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	61.7	166.2	69.9	161.2
COSMOTE Group - Romania	0.1	-	0.3	-
COSMOTE Group - Albania	0.1	-	0.2	-
COSMOTE TV PRODUCTIONS	0.3	0.2	0.2	0.3
COSMO-ONE	-	0.2	-	0.2
OTESAT-MARITEL	4.5	-	3.8	0.2
OTE PLUS	0.1	1.2	-	2.1
OTE ESTATE	56.5	1.1	1.8	5.5
OTE GLOBE	3.2	11.9	3.9	23.1
OTE ACADEMY	0.4	0.6	0.6	2.0
TELEKOM ROMANIA	0.6	0.1	0.8	0.2
OTE RURAL NORTH	15.9	0.6	15.6	0.3
OTE RURAL SOUTH	19.4	0.5	14.4	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	5.3	35.7	5.4	4.9
TOTAL	**168.1**	**218.3**	**116.9**	**200.0**

Amounts owed to OTE by OTE ESTATE include dividend receivable amounting to Euro 55.0 as of June 30, 2017 (December 31, 2016: nil).

Amounts owed by OTE to DEUTSCHE TELEKOM (except for OTE Group) group of companies include dividend payable amounting to Euro 31.4 as of June 30, 2017 (December 31, 2016: 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:

	30/06/2017		31/12/2016	
	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)	59.0	141.9	65.8	122.0
TOTAL	**59.0**	**141.9**	**65.8**	**122.0**

Amounts owed by OTE Group to DEUTSCHE TELEKOM (except for OTE Group) group of companies include dividends payable amounting to Euro 31.4 as of June 30, 2017 (December 31, 2016: nil).

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

	30/06/2017		31/12/2016	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,251.9	-	1,357.9
COSMOTE Group - Albania	-	71.4	-	111.4
OTE RURAL NORTH	11.7	-	11.7	-
OTE RURAL SOUTH	18.5	-	18.5	-
TOTAL	**30.2**	**1,323.3**	**30.2**	**1,469.3**

Amounts owed by OTE to OTE PLC and COSMOTE Group – Albania (TELEKOM ABANIA) relating to loans include interest payable amounting to Euro 36.4 and Euro 0.4 respectively as of June 30, 2017 (December 31, 2016: OTE PLC Euro 25.4 and TELEKOM ALBANIA Euro 2.4).

Amounts owed by RURAL NORTH and RURAL SOUTH to OTE relating to loans include interest receivable amounting to Euro 0.1 as of June 30, 2017 (December 31, 2016: Euro 0.1).

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 4.6 for the first half of 2017 (first half of 2016: Euro 5.0).

E. SIGNIFICANT EVENTS AFTER THE END OF THE 1st HALF OF 2017

The most significant event after June 30, 2017, is as follows:

Euro 150.0 bilateral term loan with the European Investment Bank (EIB) and Euro 150.0 syndicated facility arranged by the European Bank for Reconstruction and Development (EBRD)

On July 10, 2017, COSMOTE S.A. signed, with the guarantee of OTE, a Euro 150.0 bilateral term loan with EIB and a Euro 150.0 syndicated facility arranged by EBRD. The funds will be used to provide additional liquidity for COSMOTE S.A.’s mobile broadband network coverage and capacity expansion investments in Greece. As of the date of the publication of this Report, the loans have not been drawn.

F. ALTERNATIVE PERFORMANCE MEASURES (APMs)

The Group uses certain Alternative Performance Measures (“APMs”) in making financial, operating and planning decisions as well as in evaluating and reporting its performance. These APMs provide additional insights and understanding to the Group’s underlying operating and financial performance, financial condition and cash flow. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items.

Definitions and reconciliations of Alternative Performance Measures (“APMs”)

Alternative Performance Measures (“APMs”)
In discussing the performance of the Group, “Adjusted” measures are used such as: Adjusted EBITDA and the respective margin %, Adjusted net operating cash flow, Adjusted CapEx, and Adjusted Free Cash Flow. These are calculated by deducting from the performance measures deriving from directly reconcilable amounts of the Financial Statements, the impact of costs or payments related to voluntary leave schemes, costs or payments for restructuring plans and non-recurring litigations and Spectrum acquisitions.

Costs or payments related to Voluntary Leave Schemes
Costs or payments related to Voluntary Leave Schemes comprise the exit incentives provided to employees and the contributions to the social security fund to exit/retire employees before conventional retirement age. These costs are included within the income statement as well as within the cash flow statement lines “costs related to voluntary leave

schemes" and "payments for voluntary leave schemes". However, they are excluded from the adjusted results in order for the user to obtain a better understanding of the Group's operating and financial performance achieved from ongoing activity.

Costs or payments related to other restructuring plans and non-recurring litigations

Other restructuring costs and non-recurring litigations comprise non-ongoing activity related costs arising from significant changes in the way the Group conducts business and non-recurring legal expenses. These costs are included in the Company's/Group's income statement, while the payment of these expenses are included in the cash flow statement. However, they are excluded from the adjusted results in order for the user to obtain a better understanding of the Group's operating and financial performance achieved from ongoing activity.

Spectrum Acquisition Payments

Spectrum payments comprise the amounts paid to acquire rights (licenses) through auctions run by the National Regulator to transmit signals over specific bands of the electromagnetic spectrum. As those payments are of significant size and of irregular timing, it is a common industry practice to be excluded for the calculation of the Adjusted Free Cash Flow and Adjusted Capital Expenditure (CapEx) in order to facilitate comparability with industry peers.

Net debt

Net debt is an APM used by management to evaluate the Group's capital structure and leverage. Net debt is defined as short-term borrowings plus long-term borrowings plus short-term portion of long-term borrowings less cash and cash equivalents as illustrated in the table below.

Adjusted Net Debt

Net debt (adjusted) is used by management to evaluate the Group's capital structure and leverage defined as Net debt including other financial assets as they are highly liquidity assets. The calculations are described in the table below:

	30/06/2017	31/12/2016	Change
Long-term borrowings	1,234.9	1,941.0	-36.4%
Short-term portion of long-term borrowings	806.9	184.1	+338.3%
Short-term borrowings	-	-	-
Cash and cash equivalents	(1,508.5)	(1,585.6)	-4.9%
Net Debt	**533.3**	**539.5**	**-1.1%**
Other financial assets	(5.9)	(5.6)	+5.4%
Adjusted Net Debt	**527.4**	**533.9**	**-1.2%**

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

EBITDA is intended to provide useful information to analyze the Group's operating performance. EBITDA is defined as total revenues plus other operating income less total operating expenses before depreciation, amortization and impairment, as illustrated in the table below. EBITDA margin (%) is defined as EBITDA divided by total revenues.

Adjusted EBITDA

Adjusted EBITDA is intended to provide useful information to analyze the Group's operating performance excluding the impact of costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations. Adjusted EBITDA is defined as EBITDA adding back costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations, as illustrated in the table below. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA divided by total revenues.

	6M '17	6M '16	Change
Total Revenues	1,867.8	1,883.2	-0.8%
Other Operating Income	21.2	16.1	+31.7%
Total operating expenses before depreciation, amortization and impairment	(1,281.7)	(1,288.8)	-0.6%
EBITDA	**607.3**	**610.5**	**-0.5%**
EBITDA margin %	***32.5%***	***32.4%***	***+0.1pp***
Costs related to voluntary leave schemes	10.7	7.7	+39.0%
Other restructuring and non-recurring litigations	0.0	2.0	-100.0%
Adjusted EBITDA	**618.0**	**620.2**	**-0.4%**
Adjusted EBITDA margin %	***33.1%***	***32.9%***	***+0.2pp***

Adjusted Net Operating Cash Flow

Net cash from operating activities focuses on the cash inflows and outflows from a company's main business activities (interest expense and income tax paid included on the outflows). Adjusted Net Operating Cash Flow is defined as net cash flows from operating activities adding back payment for voluntary leave schemes, payments for other restructuring plans and non-recurring litigation expenses plus interest received, as illustrated in the table below:

	6M '17	6M '16	Change
Net cash flows from operating activities (reported)	**432.1**	**438.0**	**-1.3%**
Payment for voluntary leave schemes	10.2	8.7	+17.2%
Payment for restructuring and non-recurring litigations	3.6	4.4	-18.2%
Interest received	0.7	1.3	-46.2%
Adjusted Net Operating Cash Flow	**446.6**	**452.4**	**-1.3%**

Capital expenditure (CAPEX) and Adjusted Capital expenditure

Capital expenditure is defined as payments for purchase of property plant and equipment and intangible assets. The Group uses capital expenditure as an APM to ensure that the cash spending is in line with its overall strategy for the use of cash. Adjusted capital expenditure is calculated by excluding spectrum payments from Capital expenditure as illustrated in the table below:

	6M '17	6M '16	Change
Purchase of property plant and equipment and intangible assets (reported) - CAPEX	(423.5)	(316.3)	+33.9%
Spectrum payments	15.5	13.5	+14.8%
Adjusted CAPEX	**(408.0)**	**(302.8)**	**+34.7%**

Free Cash Flow

Free cash flow is an APM used by the Group and defined as cash generated by operating activities after payments for purchase of property plant and equipment and intangible assets (CAPEX). Free cash flow is intended to measure the cash generation from the Group's business, based on operating activities, including the efficient use of working capital and taking into account its payments for purchases of property plant and equipment and intangible assets. The Group presents free cash flow because it believes the measure assists users of the financial statements in understanding the Group's cash generating performance as well as availability for debt repayment, dividend distribution and own reserves.

	6M '17	6M '16	Change
Net cash flows from operating activities	432.1	438.0	-1.3%
Purchase of property, plant, equipment and intangible assets	(423.5)	(316.3)	+33.9%
Free Cash Flow	**8.6**	**121.7**	**-92.9%**

Adjusted Free Cash Flow

Adjusted Free Cash Flow facilitates comparability of Cash Flow generation with industry peers. Adjusted Free Cash Flow is useful in connection with discussions with the investment analyst community and debt rating agencies. Adjusted Free Cash Flow is calculated by excluding from the Free Cash Flow (defined earlier) the payments related to voluntary leave schemes, other restructuring plans and non-recurring litigation expenses and spectrum and adding the interest received.

	6M '17	6M '16	Change
Free Cash Flow	**8.6**	**121.7**	**-92.9%**
Payment for voluntary leave schemes	10.2	8.7	+17.2%
Payment for restructuring and non-recurring litigations	3.6	4.4	-18.2%
Interest received	0.7	1.3	-46.2%
Spectrum Payments	15.5	13.5	+14.8%
Adjusted FCF	**38.6**	**149.6**	**-74.2%**

Adjusted Profit to owners of the parent

Adjusted Profit for the year attributable to owners of the parent is intended to provide useful information to analyze the Group's net profitability excluding the impact of significant non-recurring or irregularly recorded items in order to facilitate comparability with previous ongoing performance. Adjusted Profit for the year (attributable to owners of the parent) is calculated by adding back to the Profit of the year (attributable to owners of the parent) the impact upon it of the following items: costs related to voluntary leave schemes, net impact from impairments, reassessment of deferred tax, financial expenses for bond issue and bond buyback premium, other restructuring costs and non-recurring litigation expenses, as illustrated in the table below:

After Tax impact	6M '17	6M '16	Change
Profit to owners of the parent (reported)	67.5	67.5	-
Costs related to voluntary leave schemes	8.7	6.1	+42.6%
Other restructuring and non-recurring litigations	2.8	1.4	+100.0%
Adjusted Profit to owners of the parent	**79.0**	**75.0**	**+5.3%**

Maroussi, August 2, 2017

Michael Tsamaz
Chairman and Managing Director

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

Report on Review of Interim Financial Information

To the Shareholders of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Introduction

We have reviewed the accompanying condensed consolidated and separate interim statement of financial position of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A (the "Company") as of 30 June 2017 and the related condensed consolidated and separate interim income statements, statements of 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 months financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this interim condensed 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 condensed 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 months financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 02 August 2017
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, 2017

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 25-50, were approved by the Board of Directors on August 2, 2017 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 STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	30/06/2017	31/12/2016	30/06/2017	31/12/2016
ASSETS					
Non-current assets					
Property, plant and equipment		2,829.4	2,852.5	1,251.2	1,225.0
Goodwill		507.8	507.0	-	-
Telecommunication licenses		468.4	491.3	3.5	3.7
Other intangible assets		428.4	490.4	158.8	197.1
Investments	4	0.1	0.1	3,486.6	3,486.5
Loans to pension funds		84.1	85.6	84.1	85.6
Deferred tax assets		318.8	316.5	131.0	133.3
Other non-current assets		107.5	99.4	79.5	76.2
Total non-current assets		**4,744.5**	**4,842.8**	**5,194.7**	**5,207.4**
Current assets					
Inventories		101.5	95.9	20.9	23.5
Trade receivables		745.7	730.5	363.2	348.7
Other financial assets		5.9	5.6	9.6	9.4
Other current assets		310.9	307.6	140.6	100.3
Restricted cash		3.7	3.6	-	-
Cash and cash equivalents		1,508.5	1,585.6	380.0	511.6
Total current assets		**2,676.2**	**2,728.8**	**914.3**	**993.5**
TOTAL ASSETS		**7,420.7**	**7,571.6**	**6,109.0**	**6,200.9**
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	496.3	496.2	496.3	496.2
Treasury shares		(14.6)	(14.3)	(14.6)	(14.3)
Statutory reserve		362.2	362.2	362.2	362.2
Foreign exchange and other reserves		(144.5)	(156.5)	(14.1)	(18.5)
Changes in non-controlling interests		(3,314.1)	(3,314.1)	-	-
Retained earnings		3,581.7	3,595.4	647.7	590.0
Total equity attributable to owners of the Parent		**2,354.1**	**2,356.0**	**2,864.6**	**2,802.7**
Non-controlling interests	4	282.3	295.7	-	-
Total equity		**2,636.4**	**2,651.7**	**2,864.6**	**2,802.7**
Non-current liabilities					
Long-term borrowings	7	1,234.9	1,941.0	1,067.7	1,348.5
Provision for staff retirement indemnities		228.6	227.6	192.3	192.2
Provision for youth account		137.4	142.5	137.4	142.5
Deferred tax liabilities		47.2	50.3	-	-
Other non-current liabilities		80.6	118.3	144.7	155.2
Total non-current liabilities		**1,728.7**	**2,479.7**	**1,542.1**	**1,838.4**
Current liabilities					
Trade accounts payable		1,146.3	1,364.1	402.7	491.9
Short-term borrowings	7	-	-	163.0	350.0
Short-term portion of long-term borrowings	7	806.9	184.1	377.6	128.5
Income tax payable	8	152.9	79.2	107.6	63.6
Deferred revenue		138.1	152.1	88.0	91.1
Provision for voluntary leave schemes		139.0	141.9	139.0	141.9
Dividends payable	6	78.2	0.3	78.2	0.3
Other current liabilities		594.2	518.5	346.2	292.5
Total current liabilities		**3,055.6**	**2,440.2**	**1,702.3**	**1,559.8**
TOTAL EQUITY AND LIABILITIES		**7,420.7**	**7,571.6**	**6,109.0**	**6,200.9**

The accompanying notes on pages 32-50 form an integral part of these financial statements.

INTERIM INCOME STATEMENT (CONSOLIDATED)

(Amounts in millions of Euro except per share data)	Notes	2nd Quarter 2017	2nd Quarter 2016	1st Half 2017	1st Half 2016
Revenue					
Fixed business:					
Retail services revenues		297.3	299.2	595.3	598.2
Wholesale services revenues		159.2	155.1	331.1	304.3
Other revenues		72.3	69.8	143.1	144.8
Total revenues from fixed business		**528.8**	**524.1**	**1,069.5**	**1,047.3**
Mobile business:					
Service revenues		326.6	326.2	631.4	639.6
Handset revenues		47.6	51.5	97.7	102.6
Other revenues		4.8	5.5	8.4	10.0
Total revenues from mobile business		**379.0**	**383.2**	**737.5**	**752.2**
Miscellaneous other revenues		**31.0**	**47.4**	**60.8**	**83.7**
Total revenues		**938.8**	**954.7**	**1,867.8**	**1,883.2**
Other operating income	9	**9.0**	**7.4**	**21.2**	**16.1**
Operating expenses					
Interconnection and roaming costs		(138.0)	(127.3)	(280.7)	(248.2)
Provision for doubtful accounts		(22.5)	(22.5)	(46.8)	(43.8)
Personnel costs		(161.0)	(167.8)	(318.5)	(329.6)
Costs related to voluntary leave schemes		(8.2)	(4.8)	(10.7)	(7.7)
Commission costs		(35.3)	(32.0)	(68.9)	(67.5)
Merchandise costs		(62.0)	(65.5)	(131.3)	(127.1)
Maintenance and repairs		(26.2)	(26.2)	(52.8)	(52.9)
Marketing		(23.9)	(27.4)	(45.8)	(49.6)
Other operating expenses, out of which:		(165.0)	(183.5)	(326.2)	(362.4)
Rental, leasing and facility costs		*(48.9)*	*(48.9)*	*(102.4)*	*(102.2)*
Third party fees and services		*(42.1)*	*(42.7)*	*(84.3)*	*(89.5)*
Other taxes and regulatory charges		*(18.8)*	*(23.8)*	*(36.3)*	*(44.6)*
Construction cost network		*(3.1)*	*(12.1)*	*(5.5)*	*(18.4)*
Other sundry operating expenses		*(52.1)*	*(56.0)*	*(97.7)*	*(107.7)*
Total operating expenses before depreciation, amortization and impairment		**(642.1)**	**(657.0)**	**(1,281.7)**	**(1,288.8)**
Operating profit before financial and investing activities, depreciation, amortization and impairment		**305.7**	**305.1**	**607.3**	**610.5**
Depreciation, amortization and impairment		(195.4)	(205.9)	(392.5)	(414.1)
Operating profit before financial and investing activities		**110.3**	**99.2**	**214.8**	**196.4**
Income and expense from financial and investing activities					
Interest and related expenses		(38.0)	(35.4)	(70.4)	(71.5)
Interest income		0.4	0.7	0.8	1.3
Foreign exchange differences, net		(13.1)	(1.8)	(10.2)	(0.3)
Gains from investments and other financial assets - Impairment		-	0.3	-	0.6
Total loss from financial and investing activities		**(50.7)**	**(36.2)**	**(79.8)**	**(69.9)**
Profit before tax		**59.6**	**63.0**	**135.0**	**126.5**
Income tax	8	(39.8)	(40.4)	(82.7)	(77.8)
Profit for the period		**19.8**	**22.6**	**52.3**	**48.7**
Attributable to:					
Owners of the parent		31.1	33.6	67.5	67.5
Non-controlling interests		(11.3)	(11.0)	(15.2)	(18.8)
Profit for the period		**19.8**	**22.6**	**52.3**	**48.7**
Earnings per share attributable to owners of the parent					
Basic earnings per share	10	0.0636	0.0687	0.1381	0.1381
Diluted earnings per share	10	0.0636	0.0687	0.1381	0.1381

INTERIM INCOME STATEMENT (SEPARATE)

(Amounts in millions of Euro)	Notes	2nd Quarter 2017	2nd Quarter 2016	1st Half 2017	1st Half 2016
Revenue					
Fixed business:					
Retail services revenues		224.8	223.3	448.8	443.9
Wholesale services revenues		85.2	87.1	172.9	168.5
Other revenues		51.7	52.0	102.8	106.5
Total revenues from fixed business		**361.7**	**362.4**	**724.5**	**718.9**
Mobile business:					
Handset revenues		7.9	5.4	15.2	10.2
Total revenues from mobile business		**7.9**	**5.4**	**15.2**	**10.2**
Miscellaneous other revenues		**21.2**	**21.7**	**43.1**	**39.3**
Total revenues		**390.8**	**389.5**	**782.8**	**768.4**
Other operating income	9	**1.3**	**0.5**	**2.8**	**2.8**
Operating expenses					
Interconnection and roaming costs		(26.2)	(28.7)	(50.6)	(53.7)
Provision for doubtful accounts		(5.1)	(5.0)	(10.2)	(9.9)
Personnel costs		(74.5)	(79.6)	(152.1)	(159.9)
Costs related to voluntary leave schemes		-	-	(2.1)	(2.6)
Commission costs		(5.3)	(1.9)	(8.8)	(5.6)
Merchandise costs		(15.5)	(14.3)	(34.2)	(24.7)
Maintenance and repairs		(10.1)	(10.1)	(19.4)	(19.9)
Marketing		(5.7)	(6.1)	(12.2)	(12.7)
Other operating expenses, out of which:		(86.6)	(82.5)	(167.0)	(161.9)
Rental, leasing and facility costs		*(24.4)*	*(24.2)*	*(50.4)*	*(49.5)*
Third party fees and services		*(39.0)*	*(35.3)*	*(71.9)*	*(71.0)*
Other taxes and regulatory charges		*(6.6)*	*(6.3)*	*(11.7)*	*(10.4)*
Other sundry operating expenses		*(16.6)*	*(16.7)*	*(33.0)*	*(31.0)*
Total operating expenses before depreciation, amortization and impairment		**(229.0)**	**(228.2)**	**(456.6)**	**(450.9)**
Operating profit before financial and investing activities, depreciation, amortization and impairment		**163.1**	**161.8**	**329.0**	**320.3**
Depreciation, amortization and impairment		(78.4)	(76.5)	(155.8)	(159.0)
Operating profit before financial and investing activities		**84.7**	**85.3**	**173.2**	**161.3**
Income and expense from financial and investing activities					
Interest and related expenses		(24.6)	(24.3)	(47.1)	(49.4)
Interest income		0.6	0.6	1.2	1.1
Foreign exchange differences, net		(1.1)	1.2	(1.2)	1.0
Dividend income		55.6	0.4	55.6	0.4
Losses from investments and other financial assets - Impairment		-	(0.1)	-	(0.2)
Total profit / (loss) from financial and investing activities		**30.5**	**(22.2)**	**8.5**	**(47.1)**
Profit before tax		**115.2**	**63.1**	**181.7**	**114.2**
Income tax	8	(22.4)	(23.6)	(45.8)	(42.0)
Profit for the period		**92.8**	**39.5**	**135.9**	**72.2**

The accompanying notes on pages 32-50 form an integral part of these financial statements.

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

	2nd Quarter		1st Half	
(Amounts in millions of Euro)	2017	2016	2017	2016
Profit for the period	**19.8**	**22.6**	**52.3**	**48.7**
Other comprehensive income: **Items that will not be reclassified subsequently to profit or loss**				
Actuarial gains / (losses)	4.1	(12.0)	5.8	(25.6)
Deferred taxes on actuarial gains / (losses)	(1.2)	3.5	(1.7)	7.5
Total items that will not be reclassified subsequently to profit or loss	**2.9**	**(8.5)**	**4.1**	**(18.1)**
Items that may be reclassified subsequently to profit or loss Foreign currency translation	13.1	(7.6)	6.4	(0.3)
Net movement in available for sale financial assets	0.3	0.2	0.3	-
Total items that may be reclassified subsequently to profit or loss	**13.4**	**(7.4)**	**6.7**	**(0.3)**
Other comprehensive income / (loss) for the period	**16.3**	**(15.9)**	**10.8**	**(18.4)**
Total comprehensive income for the period	**36.1**	**6.7**	**63.1**	**30.3**
Attributable to: Owners of the parent	47.8	21.7	79.5	48.8
Non-controlling interests	(11.7)	(15.0)	(16.4)	(18.5)
	36.1	**6.7**	**63.1**	**30.3**

INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

	2nd Quarter		1st Half	
(Amounts in millions of Euro)	2017	2016	2017	2016
Profit for the period	**92.8**	**39.5**	**135.9**	**72.2**
Other comprehensive income: **Items that will not be reclassified subsequently to profit or loss**				
Actuarial gains / (losses)	4.1	(12.0)	5.8	(26.5)
Deferred taxes on actuarial gains / (losses)	(1.2)	3.4	(1.7)	7.6
Total items that will not be reclassified subsequently to profit or loss	**2.9**	**(8.6)**	**4.1**	**(18.9)**
Items that may be reclassified subsequently to profit or loss Net movement in available for sale financial assets	0.3	-	0.3	(0.1)
Total items that may be reclassified subsequently to profit or loss	**0.3**	**-**	**0.3**	**(0.1)**
Other comprehensive income / (loss) for the period	**3.2**	**(8.6)**	**4.4**	**(19.0)**
Total comprehensive income for the period	**96.0**	**30.9**	**140.3**	**53.2**

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

	Attributed to owners of the parent									
(Amounts in millions of Euro)	Share capital	Share premium	Treasury shares	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at January 1, 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	-	-	-	-	-	-	(48.9)	(48.9)	-	(48.9)
Share option plans	-	(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
Balance as at January 1, 2017	1,387.1	496.2	(14.3)	362.2	(156.5)	(3,314.1)	3,595.4	2,356.0	295.7	2,651.7
Profit / (loss) for the period	-	-	-	-	-	-	67.5	67.5	(15.2)	52.3
Other comprehensive income / (loss)	-	-	-	-	12.0	-	-	12.0	(1.2)	10.8
Total comprehensive income / (loss)	-	-	-	-	12.0	-	67.5	79.5	(16.4)	63.1
Non-controlling interests / Transfer of shares (see Note 1)	-	-	-	-	-	-	(3.0)	(3.0)	3.0	-
Dividend distribution (see Note 6)	-	-	-	-	-	-	(78.2)	(78.2)	-	(78.2)
Share option plans	-	0.1	(0.3)	-	-	-	-	(0.2)	-	(0.2)
Balance as at June 30, 2017	1,387.1	496.3	(14.6)	362.2	(144.5)	(3,314.1)	3,581.7	2,354.1	282.3	2,636.4

The accompanying notes on pages 32-50 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, 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	-	-	-	-	-	(48.9)	**(48.9)**
Share option plans	-	(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
Balance as at January 1, 2017	1,387.1	496.2	(14.3)	362.2	(18.5)	590.0	2,802.7
Profit for the period	-	-	-	-	-	135.9	**135.9**
Other comprehensive income	-	-	-	-	4.4	-	**4.4**
Total comprehensive income	-	-	-	-	4.4	135.9	140.3
Dividend distribution (see Note 6)	-	-	-	-	-	(78.2)	**(78.2)**
Share option plans	-	0.1	(0.3)	-	-	-	**(0.2)**
Balance as at June 30, 2017	1,387.1	496.3	(14.6)	362.2	(14.1)	647.7	2,864.6

INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP 01/01-30/06/2017	GROUP 01/01-30/06/2016	COMPANY 01/01-30/06/2017	COMPANY 01/01-30/06/2016
Cash flows from operating activities					
Profit before tax		135.0	126.5	181.7	114.2
Adjustments for:					
Depreciation, amortization and impairment		392.5	414.1	155.8	159.0
Costs related to voluntary leave schemes		10.7	7.7	2.1	2.6
Provision for staff retirement indemnities		5.5	5.9	4.6	4.6
Provision for youth account		1.4	1.5	1.4	1.5
Provision for doubtful accounts		46.8	43.8	10.2	9.9
Foreign exchange differences, net		10.2	0.3	1.2	(1.0)
Interest income		(0.8)	(1.3)	(1.2)	(1.1)
Dividend income		-	-	(55.6)	(0.4)
(Gains) / losses from investments and other financial assets - Impairment		-	(0.6)	-	0.2
Interest and related expenses		70.4	71.5	47.1	49.4
Working capital adjustments:					
Decrease / (increase) in inventories		(5.8)	(13.2)	2.5	(1.2)
Decrease / (increase) in receivables		(75.6)	(128.2)	(11.9)	(50.6)
(Decrease) / increase in liabilities (except borrowings)		(91.2)	15.5	(2.5)	36.0
Plus /(Minus):					
Payment for voluntary leave schemes		(10.2)	(8.7)	(6.3)	(3.8)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(6.0)	(7.4)	(6.0)	(7.4)
Interest and related expenses paid		(37.3)	(55.1)	(29.5)	(39.7)
Income tax paid		(13.5)	(34.3)	(1.2)	(0.4)
Net cash flows from operating activities		**432.1**	**438.0**	**292.4**	**271.8**
Cash flows from investing activities					
Sale or maturity of financial assets		0.2	-	-	-
Loans granted		-	-	-	(7.0)
Repayment of loans receivable		2.7	3.4	2.7	3.4
Purchase of property plant and equipment and intangible assets		(423.5)	(316.3)	(206.1)	(138.2)
Movement in restricted cash		(0.1)	(0.9)	-	-
Interest received		0.7	1.3	1.2	1.1
Net cash flows used in investing activities		**(420.0)**	**(312.5)**	**(202.2)**	**(140.7)**
Cash flows from financing activities					
Share option plans		(0.3)	(0.2)	(0.3)	(0.2)
Proceeds from loans granted and issued	7	-	-	193.6	350.0
Repayment of loans	7	(87.4)	(411.9)	(414.8)	(476.1)
Dividends paid to Company's owners		(0.3)	(0.3)	(0.3)	(0.3)
Net cash flows used in financing activities		**(88.0)**	**(412.4)**	**(221.8)**	**(126.6)**
Net increase / (decrease) in cash and cash equivalents		**(75.9)**	**(286.9)**	**(131.6)**	**4.5**
Cash and cash equivalents, at the beginning of the period		**1,585.6**	**1,322.5**	**511.6**	**290.3**
Net foreign exchange differences		(1.2)	(0.2)	-	-
Cash and cash equivalents, at the end of the period		**1,508.5**	**1,035.4**	**380.0**	**294.8**

The accompanying notes on pages 32-50 form an integral part of these financial statements.

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, 2017 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, 2017 and for the six month period then ended, were approved for issuance by the Board of Directors on August 2, 2017.

The total numbers of Group and Company employees as of June 30, 2017 and 2016 and as of December 31, 2016 were as follows:

	GROUP	COMPANY
June 30, 2017	21,152	8,507
December 31, 2016	21,086	8,405
June 30, 2016	21,497	8,653

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

ENTITY NAME	LINE OF BUSINESS	COUNTRY	GROUP's OWNERSHIP INTEREST	
			30/06/2017	31/12/2016
COSMOTE MOBILE TELECOMMUNICATIONS S.A. ("COSMOTE")	Mobile telecommunications services	Greece	100.00%	100.00%
OTE INTERNATIONAL INVESTMENTS LTD	Investment holding entity	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 entity	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%

ENTITY NAME	LINE OF BUSINESS	COUNTRY	GROUP's OWNERSHIP INTEREST	
			30/06/2017	31/12/2016
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	86.20%	100.00%
SUNLIGHT ROMANIA S.R.L. FILIALA	Retail services	Romania	86.20%	100.00%
MOBILBEEEP LTD	Retail services	Greece	100.00%	100.00%
COSMOTE TV PRODUCTIONS	TV Productions and services	Greece	100.00%	100.00%
COSMOHOLDING ROMANIA LTD	Investment holding entity	Cyprus	100.00%	100.00%
TELEMOBIL S.A. ("ZAPP")	Mobile telecommunications services	Romania	86.20%	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 entity	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%

INTRA-GROUP TRANSFERS OF SHARES

On May 10, 2017, GERMANOS transferred its shares in GERMANOS TELECOM ROMANIA S.A. to TELEKOM ROMANIA MOBILE.

On June 7, 2017, COSMOHOLDING ROMANIA LTD transferred its shares in ZAPP to TELEKOM ROMANIA MOBILE.

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, 2016, 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 or 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, 2016.

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, 2016 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, 2017, 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 on or after January 1, 2017.

Standards and Interpretations effective for the current financial year

There are no new standards, amendments to standards and interpretations that are mandatory for periods beginning on January 1, 2017.

Standards and Interpretations effective for subsequent periods

A number of new standards and amendments to standards and interpretations are effective for subsequent periods, 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 majority of the financial instruments held by the Group include debt securities. Based on the provision of the new standard, debt instruments are classified and measured on the basis of the business model within which they are held and their contractual cash flow characteristics.

The business model and cash flow characteristics test introduced by IFRS 9 will not affect the classification and measurement of the majority of debt instruments, which will continue to be measured at amortized cost.

With respect to impairment, the new provisions on accounting for impairment losses will possibly lead to expected losses having to be expensed earlier in certain cases.

The Group is currently assessing the impact of IFRS 9. As the analysis of the implementation progresses and more accurate data becomes available, the impact of IFRS 9, if any, will be disclosed in the annual financial statements.

- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after January 1, 2018): IFRS 15 has been issued in May 2014. 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.

IFRS 15 sets out the requirements for recognizing revenue and costs from contracts with customers and includes extensive disclosure requirements. It provides a single, principles-based five-step model for the determination and recognition of revenue to be applied to all contracts with customers. It requires entities to allocate revenue earned from contracts to individual promises, i.e. performance obligations, on a relative stand-alone selling price basis, based on the five-step model.

The new standard will be applied by the Group from January 1, 2018. When applying IFRS 15 for the first time, the Group shall apply the standard in full for the year 2018 and in respect of prior periods, will recognize the cumulative effect of applying IFRS 15 to all contracts that had not yet been completed at January 1, 2018, as an adjustment to the opening balance of equity on January 1, 2018 (the cumulative catch-up transition method). The Group will use the following practical expedients on transition: Contracts completed before the date of initial application (i.e. January 1, 2018) will not be revised. The Group will apply the new Standard to a portfolio of contracts with similar characteristics, as it expects that the effects on the financial statements would not differ materially from applying this Standard to the individual contracts.

Prior-year comparatives will not be restated; instead, OTE will provide an explanation of the reasons for the changes in the statement of financial position and the income statement, as a result of applying IFRS 15 for the first time.

In the case of multiple-element arrangements (e.g., mobile contract plus handset) with subsidized products delivered in advance, currently the Group recognizes revenue for handsets and other devices when these handsets and other devices are transferred to the customer and based on the corresponding charge. Under IFRS 15, a larger portion of the total remuneration is attributable to the components delivered in advance based on these components' relative stand-alone value within the contract, which will result in higher revenue from the sale of handsets and other devices and in lower revenue from the provision of services. It will also impact the timing of recognition, resulting in earlier recognition of revenue. The difference between the revenue and the customer charge will be recognized as a contract asset, a receivable arising from customers secured cash flows in the statement of financial position.

Sales commissions and other customer acquisition costs resulting directly from securing contracts with customers are currently expensed as incurred. IFRS 15 will require these incremental costs of acquiring contracts to be recognized as an asset when incurred and expensed over the related contract duration.

Based on the above, the Group has performed a preliminary analysis of the IFRS 15 potential impact as of January 1, 2018 as well as the estimated impact on the 2018 income statement. The data presented below, represent management's best estimates based on current knowledge and assumptions. As the analysis progresses and more accurate data becomes available, it is possible that significant updates and changes on the estimated amounts will occur.

Based on management's current assessment, OTE Group anticipates a cumulative increase in retained earnings amounting to approximately 2.0 to 5.5 percentage points of total equity, before deferred taxes. The effect is essentially the result of the recognition of:

- contract assets which, pursuant to IFRS 15, resulting from the earlier recognition of handset revenues; and
- deferred customer acquisition costs, resulting from the subsequent recognition of commission costs under IFRS 15.

Regarding the future effects on the consolidated income statement in the financial year 2018, the Group expects a decline in the share of revenues from the provision of services and an increase in the share of revenues from sales of handsets amounting to approximately 0.5 to 1.5 percentage points of total revenues.

The impact on the income statement in the financial year 2018, assuming a consistent business cycle, in a mass market with a large number of customer contracts which are completed at different times, will result:

- in the case of contracts which are still active on January 1, 2018, in lower service revenues and higher commission costs resulting from the amortization of capitalized contract assets and deferred customer acquisition costs,
- higher handset revenues and lower commission costs resulting from the capitalization of contract assets and deferred customer acquisition costs, when new contracts are concluded.

Since these effects from the new accounting treatment result in timing differences as regards the realization of revenues and expenses, the impact to equity over time is neutral.

Significant profit and loss effects compared to current accounting treatment can therefore only be attributed to changed business developments, changes in business models and products offered.

The Group is continuously updating its estimation on the impact of IFRS 15 and the impact will be disclosed in the annual financial statements 2017.

- **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 of 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 Unrealized Losses"** (effective for annual periods beginning on or after January 1, 2017): These amendments clarify the accounting for deferred tax assets for unrealized 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 Shared-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. It also introduces an exception to the principles of 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. These amendments have not yet been endorsed by the EU.

- IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after January 1, 2018): These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. These amendments have not yet been endorsed by the EU.

- IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after January 1, 2018): The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

- IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019): The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle)

These amendments set out below describe the key changes to certain IFRSs. These amendments have not yet been endorsed by the EU.

- IFRS 12 "Disclosures of Interests in Other Entities" (effective for annual periods beginning on or after January 1, 2017): The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarized financial information.

- IAS 28 "Investments in associates and Joint ventures" (effective for annual periods beginning on or after January 1, 2018): The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
(a) Investments in subsidiaries	-	-	3,486.5	3,486.4
(b) Other investments	0.1	0.1	0.1	0.1
TOTAL	**0.1**	**0.1**	**3,486.6**	**3,486.5**

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	30/06/2017	31/12/2016
COSMOTE	100.00%	Greece	2,763.2	2,763.1
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	344.9	344.9
COSMOTE TV PRODUCTIONS	100.00%	Greece	3.8	3.8
COSMO-ONE	30.87%	Greece	0.5	0.5
OTESAT-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			**3,486.5**	**3,486.4**

NON-CONTROLLING INTERESTS

The Group's non-controlling interests amount to Euro 282.3 as of June 30, 2017 (December 31, 2016: Euro 295.7), out of which Euro 281.2 relate to TELEKOM ROMANIA (December 31, 2016: Euro 292.6), 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, 2017 amounted to Euro 1,387.1 (December 31, 2016: 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, 2017 amounted to Euro 496.3 (December 31, 2016: 496.2).

The following is an analysis of the ownership of OTE's shares as of June 30, 2017:

Shareholder	Number of shares	Percentage %
DEUTSCHE TELEKOM AG	196,060,156	40.00%
Hellenic State	4,901,507	1.00%
IKA–ETAM (refers only to the transfer of 4% from the Hellenic State)	19,606,015	4.00%
Hellenic Republic Asset Development Fund (HRADF)	24,507,520	5.00%
Institutional investors	212,293,220	43.31%
Private investors	31,427,861	6.41%
Treasury shares	1,354,110	0.28%
TOTAL	**490,150,389**	**100.00%**

6. DIVIDENDS

On June 20, 2017, the General Assembly of OTE's Shareholders approved the distribution of dividend of a total amount of Euro 78.2 or Euro 0.16 (in absolute amount) per share. The amount of dividends payable as of June 30, 2017 was Euro 78.2 (December 31, 2016: Euro 0.3).

7. LONG-TERM AND SHORT-TERM BORROWINGS

LONG – TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/06/2017	31/12/2016
(a) Bank loans	372.1	457.7
(b) Global Medium-Term Note Programme of OTE PLC	1,669.7	1,667.4
Total long-term debt	**2,041.8**	**2,125.1**
Short-term portion of long-term debt	(806.9)	(184.1)
Long-term borrowings	**1,234.9**	**1,941.0**

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

Description	Coupon	Maturity	31/12/2016				30/06/2017	
			Outstanding nominal value	Book value	Repayments/ Prepayments	Amortisation of expenses	Outstanding nominal value	Book value
a) Bank loans								
EBRD loan Euro 225.0	Euribor+5.25%	25/04/2018	73.0	72.2	(22.6)	0.8	50.4	50.4
EBRD loan Euro 339.0	Euribor+3.50%	16/09/2019	339.0	335.8	(56.5)	0.9	282.5	280.2
BSTDB loan Euro 50.0	Euribor+3.50%	16/09/2019	50.0	49.7	(8.3)	0.1	41.7	41.5
(b) Global Medium-Term Note Programme of OTE PLC								
Euro 700.0 notes	7.875%	07/02/2018	630.0	627.7	-	0.8	630.0	628.5
Euro 350.0 notes	4.375%	02/12/2019	350.0	345.2	-	0.8	350.0	346.0
Euro 700.0 notes	3.500%	09/07/2020	700.0	694.5	-	0.7	700.0	695.2
			2,142.0	**2,125.1**	**(87.4)**	**4.1**	**2,054.6**	**2,041.8**

COMPANY	30/06/2017	31/12/2016
(a) Bank loans	321.7	385.5
(b) Intercompany loans	1,123.6	1,091.5
Total long-term debt	**1,445.3**	**1,477.0**
Short-term portion of long-term debt	(377.6)	(128.5)
Long-term borrowings	**1,067.7**	**1,348.5**

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

Description	Maturity	31/12/2016					30/06/2017	
		Outstanding nominal value	Book value	New Loans	Repayments/ Prepayments	Amortization of expenses	Outstanding nominal value	Book value
a) Bank loans								
EBRD loan Euro 339.0	16/09/2019	339.0	335.8	-	(56.5)	0.9	282.5	280.2
BSTDB loan Euro 50.0	16/09/2019	50.0	49.7	-	(8.3)	0.1	41.7	41.5
b) Intercompany loans								
Euro 250.0 loan	07/02/2018	250.0	249.0	-	-	0.5	250.0	249.5
Euro 150.0 loan	02/12/2019	150.0	148.0	-	-	0.3	150.0	148.3
Euro 30.6 loan	23/06/2020	-	-	30.6	-	-	30.6	30.6
Euro 700.0 loan	09/07/2020	700.0	694.5	-	-	0.7	700.0	695.2
		1,489.0	**1,477.0**	**30.6**	**(64.8)**	**2.5**	**1,454.8**	**1,445.3**

SHORT –TERM BORROWINGS

COMPANY

The outstanding balance of short-term borrowings as of June 30, 2017 for the Company amounted to Euro 163.0 (December 31, 2016: Euro 350.0), out of which Euro 102.0 have been granted by OTE PLC and Euro 61.0 have been granted by TELEKOM ALBANIA.

The analysis of short- term loans is as follows:

Description	Maturity date	31/12/2016				30/06/2017
		Book value	New loans	Repayments/ Prepayments	Amortization of expenses	Book value
Euro 50.0 loan	14/03/2017	50.0	-	(50.0)	-	-
Euro 50.0 loan	21/03/2017	50.0	-	(50.0)	-	-
Euro 50.0 loan	28/03/2017	50.0	-	(50.0)	-	-
Euro 50.0 loan	04/04/2017	50.0	-	(50.0)	-	-
Euro 50.0 loan	27/04/2017	50.0	-	(50.0)	-	-
Euro 50.0 loan	04/05/2017	50.0	-	(50.0)	-	-
Euro 50.0 loan	10/05/2017	50.0	-	(50.0)	-	-
Euro 163.0 loan	17/01/2018	-	163.0	-	-	163.0
		350.0	**163.0**	**(350.0)**	**-**	**163.0**

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:

ENTITY	Open Tax Years
OTE	None
COSMOTE	2010
OTE INTERNATIONAL INVESTMENTS LTD	2010 - 2016
COSMO-ONE	2010
OTE PLC	2013 - 2016
OTESAT-MARITEL	None
OTE PLUS	2010
OTE ESTATE	None
OTE GLOBE	2010
OTE INSURANCE	2010
OTE ACADEMY	2010
HATWAVE	1996 - 2016
COSMOTE TV PRODUCTIONS	2010
TELEKOM ROMANIA	2007 - 2016
NEXTGEN	2008 - 2016
TELEKOM ALBANIA	2013 - 2016
TELEKOM ROMANIA MOBILE	2013 - 2016
GERMANOS	2010
COSMOTE E-VALUE	2010
GERMANOS TELECOM ROMANIA S.A.	2009 - 2016
SUNLIGHT ROMANIA S.R.L. FILIALA	2009 - 2016
MOBILBEEEP LTD	2010 - 2016
COSMOHOLDING ROMANIA LTD	2009 - 2016
ZAPP	2010 - 2016
E-VALUE LTD	2010
COSMOHOLDING INTERNATIONAL B.V.	2014 - 2016
E-VALUE INTERNATIONAL S.A.	2014 - 2016
OTE RURAL NORTH	2014 - 2016
OTE RURAL SOUTH	2014 - 2016

- COSMOTE E-VALUE and OTE PLUS have received tax audit notifications for year 2010. The relevant audits have not started yet.
- The tax audits for COSMOTE, GERMANOS and OTE GLOBE for the fiscal year 2010 are in progress.
- The tax audit for ZAPP for the years 2010 – 2015 is in progress.

- The tax audit for TELEKOM ALBANIA for the years 2013 - 2016 is in progress.
- The tax audit for TELEKOM ROMANIA for the years 2011 - 2016 is in progress.

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 2016 has been completed by PricewaterhouseCoopers S.A. and the "Tax Compliance Report" will be issued in the third quarter of 2017.

The major components of income tax expense are as follows:

	2nd Quarter		1st Half	
GROUP	2017	2016	2017	2016
Current income tax	45.3	37.8	89.7	77.6
Deferred income tax	(5.5)	2.6	(7.0)	0.2
Total income tax	**39.8**	**40.4**	**82.7**	**77.8**

	2nd Quarter		1st Half	
COMPANY	2017	2016	2017	2016
Current income tax	23.1	18.0	45.2	37.9
Deferred income tax	(0.7)	5.6	0.6	4.1
Total income tax	**22.4**	**23.6**	**45.8**	**42.0**

Income tax payable for the Group and the Company as of June 30, 2017 amounted to Euro 152.9 and 107.6, respectively (December 31, 2016: Euro 79.2 and 63.6, respectively).

Income tax receivable for the Group and the Company as of June 30, 2017 amounted to Euro 17.6 and Euro 7.7, respectively (December 31, 2016: Euro 19.9 and Euro 7.7 respectively) and is recorded under “Other current assets”.

9. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

	2nd Quarter		1st Half	
GROUP	2017	2016	2017	2016
Gain from disposal of property, plant and equipment	1.8	1.0	5.6	3.1
Income from contract penalties	1.9	2.6	4.2	5.1
Income from investment property	2.0	1.9	4.0	3.7
Other	3.3	1.9	7.4	4.2
TOTAL	9.0	7.4	21.2	16.1

	2nd Quarter		1st Half	
COMPANY	2017	2016	2017	2016
Income from disposal of property, plant and equipment	-	0.4	0.8	2.2
Income from contract penalties	0.3	-	0.3	-
Other	1.0	0.1	1.7	0.6
TOTAL	1.3	0.5	2.8	2.8

10. EARNINGS 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 per share are analyzed as follows:

GROUP	2nd Quarter		1st Half	
	2017	2016	2017	2016
Profit attributable to owners of the parent	31.1	33.6	67.5	67.5
Weighted average number of shares for basic earnings per share	488,819,070	488,789,129	488,824,644	488,789,129
Share options	-	347,380	-	347,380
Weighted average number of shares adjusted for the effect of dilutions	488,819,070	488,940,408	488,824,644	488,931,568
Basic earnings per share	0.0636	0.0687	0.1381	0.1381
Diluted earnings per share	0.0636	0.0687	0.1381	0.1381

(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 and business activities.

Using quantitative and qualitative thresholds OTE, COSMOTE Group – Greece, COSMOTE Group – Romania, COSMOTE Group – Albania (or TELEKOM ALBANIA) 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, Romania and Albania.
- 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 financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations; operating profit / (loss) before financial and investing activities and profit / (loss) for the year.

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

Six month period ended June 30, 2017	OTE	COSMOTE Group - Greece	COSMOTE Group - Romania	COSMOTE Group - Albania	TELEKOM ROMANIA	OTHER	TOTAL	Elim.	GROUP
Revenue from external customers	717.7	497.6	183.4	29.4	281.9	157.8	1,867.8	-	1,867.8
Intersegment revenue	65.1	68.6	30.9	3.5	13.1	68.6	249.8	(249.8)	-
Operating profit before financial and investing activities, depreciation, amortization and impairment	329.0	186.8	29.1	2.9	38.5	22.2	608.5	(1.2)	607.3
Costs related to voluntary leave schemes	(2.1)	-	(0.4)	-	(8.3)	0.1	(10.7)	-	(10.7)
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	331.1	186.8	29.5	2.9	46.8	22.1	619.2	(1.2)	618.0
Depreciation, amortization and impairment	(155.8)	(111.6)	(47.3)	(9.3)	(56.3)	(12.2)	(392.5)	-	(392.5)
Operating profit / (loss) before financial and investing activities	173.2	75.2	(18.2)	(6.4)	(17.8)	10.0	216.0	(1.2)	214.8
Interest income	1.2	24.2	-	3.2	0.1	51.7	80.4	(79.6)	0.8
Interest and related expenses	(47.1)	(23.6)	(25.1)	(0.1)	(3.8)	(50.3)	(150.0)	79.6	(70.4)
Income tax	(45.8)	(27.8)	(2.7)	1.5	-	(7.9)	(82.7)	-	(82.7)
Profit / (loss) for the period	135.9	47.8	(44.6)	(9.7)	(22.8)	2.3	108.9	(56.6)	52.3
Purchase of property plant and equipment and intangible assets	206.1	102.4	34.7	9.1	63.8	7.4	423.5	-	423.5

Six month period ended June 30, 2016	OTE	COSMOTE Group - Greece	COSMOTE Group - Romania	COSMOTE Group - Albania	TELEKOM ROMANIA	OTHER	TOTAL	Elim.	GROUP
Revenue from external customers	716.4	506.8	201.2	31.5	274.0	153.3	1,883.2	-	1,883.2
Intersegment revenue	52.0	61.3	21.9	9.1	12.6	63.2	220.1	(220.1)	-
Operating profit before financial and investing activities, depreciation, amortization and impairment	320.3	186.9	39.5	9.5	31.2	25.2	612.6	(2.1)	610.5
Costs related to voluntary leave schemes	(2.6)	-	(0.6)	-	(4.5)	-	(7.7)	-	(7.7)
Other restructuring costs and non-recurring litigations	-	(2.0)	-	-	-	-	(2.0)	-	(2.0)
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	322.9	188.9	40.1	9.5	35.7	25.2	622.3	(2.1)	620.2
Depreciation, amortization and impairment	(159.0)	(112.7)	(50.8)	(9.9)	(69.2)	(12.7)	(414.3)	0.2	(414.1)
Operating profit / (loss) before financial and investing activities	161.3	74.2	(11.3)	(0.4)	(38.0)	12.5	198.3	(1.9)	196.4
Interest income	1.1	25.5	-	7.0	0.1	65.7	99.4	(98.1)	1.3
Interest and related expenses	(49.4)	(26.7)	(27.8)	(0.1)	(2.4)	(63.2)	(169.6)	98.1	(71.5)
Income tax	(42.0)	(28.5)	(0.3)	(1.3)	0.1	(5.8)	(77.8)	-	(77.8)
Profit / (loss) for the period	72.2	45.0	(39.1)	5.2	(41.1)	9.0	51.2	(2.5)	48.7
Purchase of property plant and equipment and intangible assets	138.2	91.2	22.5	11.2	44.7	8.5	316.3	-	316.3

30/06/2017	OTE	COSMOTE Group - Greece	COSMOTE Group - Romania	COSMOTE Group - Albania	TELEKOM ROMANIA	OTHER	TOTAL	Elim.	GROUP
Segment assets	2,622.4	2,403.3	792.4	624.2	941.1	2,754.0	10,137.4	(2,716.7)	7,420.7
Segment liabilities	3,244.4	1,370.8	466.5	74.7	329.7	2,058.3	7,544.4	(2,760.1)	4,784.3

31/12/2016	OTE	COSMOTE Group - Greece	COSMOTE Group - Romania	COSMOTE Group - Albania	TELEKOM ROMANIA	OTHER	TOTAL	Elim.	GROUP
Segment assets	2,714.4	2,408.5	842.6	640.8	1,002.4	2,889.8	10,498.5	(2,926.9)	7,571.6
Segment liabilities	3,398.2	1,422.7	469.5	91.5	366.2	2,140.8	7,888.9	(2,969.0)	4,919.9

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 sales and purchases with its related parties are analyzed as follows:

	1st Half 2017		1st Half 2016	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	49.0	63.2	38.2	52.2
COSMOTE TV PRODUCTIONS	0.2	0.2	0.3	0.4
COSMO-ONE	-	0.3	-	0.3
OTE SAT-MARITEL	0.1	0.1	0.1	0.1
OTE PLUS	-	0.8	-	2.0
OTE ESTATE	0.2	21.9	-	20.1
OTE GLOBE	6.2	26.4	7.1	28.2
OTE ACADEMY	0.1	1.5	0.2	3.1
TELEKOM ROMANIA	0.1	-	-	-
OTE RURAL NORTH	2.8	0.2	4.4	-
OTE RURAL SOUTH	6.4	0.1	1.7	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.7	2.4	3.6	3.6
TOTAL	**69.8**	**117.1**	**55.6**	**110.0**

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

	1st Half 2017		1st Half 2016	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	19.4	16.5	17.0	18.0
TOTAL	**19.4**	**16.5**	**17.0**	**18.0**

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

	Other operating income OTE	
	1st Half 2017	1st Half 2016
COSMOTE Group - Greece	0.6	-
OTE ESTATE	0.1	-
TOTAL	**0.7**	**-**

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 2017	1st Half 2016
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 2017		1st Half 2016	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	29.7	-	40.7
COSMOTE Group - Albania	-	2.0	-	0.6
OTE RURAL NORTH	0.2	-	0.1	-
OTE RURAL SOUTH	0.3	-	0.2	-
TOTAL	**0.5**	**31.7**	**0.3**	**41.3**

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

	Dividend income OTE	
	1st Half 2017	1st Half 2016
OTE SAT-MARITEL	0.6	-
OTE INSURANCE	-	0.3
OTE ESTATE	55.0	0.1
TOTAL	**55.6**	**0.4**

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

	30/06/2017		31/12/2016	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	61.7	166.2	69.9	161.2
COSMOTE Group - Romania	0.1	-	0.3	-
COSMOTE Group - Albania	0.1	-	0.2	-
COSMOTE TV PRODUCTIONS	0.3	0.2	0.2	0.3
COSMO-ONE	-	0.2	-	0.2
OTESAT-MARITEL	4.5	-	3.8	0.2
OTE PLUS	0.1	1.2	-	2.1
OTE ESTATE	56.5	1.1	1.8	5.5
OTE GLOBE	3.2	11.9	3.9	23.1
OTE ACADEMY	0.4	0.6	0.6	2.0
TELEKOM ROMANIA	0.6	0.1	0.8	0.2
OTE RURAL NORTH	15.9	0.6	15.6	0.3
OTE RURAL SOUTH	19.4	0.5	14.4	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	5.3	35.7	5.4	4.9
TOTAL	**168.1**	**218.3**	**116.9**	**200.0**

Amounts owed to OTE by OTE ESTATE include dividend receivable amounting to Euro 55.0 as of June 30, 2017 (December 31, 2016: nil).

Amounts owed by OTE to DEUTSCHE TELEKOM (except for OTE Group) group of companies include dividend payable amounting to Euro 31.4 as of June 30, 2017 (December 31, 2016: 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:

	30/06/2017		31/12/2016	
	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)	59.0	141.9	65.8	122.0
TOTAL	**59.0**	**141.9**	**65.8**	**122.0**

Amounts owed by OTE Group to DEUTSCHE TELEKOM (except for OTE Group) group of companies include dividends payable amounting to Euro 31.4 as of June 30, 2017 (December 31, 2016: nil).

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

	30/06/2017		31/12/2016	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,251.9	-	1,357.9
COSMOTE Group - Albania	-	71.4	-	111.4
OTE RURAL NORTH	11.7	-	11.7	-
OTE RURAL SOUTH	18.5	-	18.5	-
TOTAL	**30.2**	**1,323.3**	**30.2**	**1,469.3**

Amounts owed by OTE to OTE PLC and COSMOTE Group – Albania (TELEKOM ABANIA) relating to loans include interest payable amounting to Euro 36.4 and Euro 0.4 respectively as of June 30, 2017 (December 31, 2016: OTE PLC Euro 25.4 and TELEKOM ALBANIA Euro 2.4).

Amounts owed by RURAL NORTH and RURAL SOUTH to OTE relating to loans include interest receivable amounting to Euro 0.1 as of June 30, 2017 (December 31, 2016: Euro 0.1).

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 4.6 for the first half of 2017 (first half of 2016: Euro 5.0).

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, 2016, except for the following:

OTE

Teledome S.A. filed a lawsuit against OTE before the Athens Multimember Court of First Instance claiming an amount of Euro 1.6 for alleged damages incurred by it as a result of the application of non-cost oriented interconnection charges by OTE. The case was heard on September 28, 2016 and the Court awarded to Teledome S.A. an amount of Euro 1.1. OTE will appeal against this decision.

COSMOTE

Babis Vovos International Construction S.A. filed a lawsuit against COSMOTE before the Court of First Instance, claiming the invalidity of COSMOTE's termination on May 31, 2012, of their lease contract. After the hearing of the case, the Court accepted Babis Vovos International Construction S.A.'s claim and recognized the invalidity of the termination by COSMOTE of the said lease contract. COSMOTE appealed against this decision and the Athens Court of Appeals' decision was issued, which accepted COSMOTE's appeal and rejected Babis Vovos International Construction S.A.'s lawsuit.

GERMANOS

GERMANOS is a party, among others, to certain lawsuits regarding franchise agreements filed by former franchisees of the chain GERMANOS stores. In 2017 a former franchisee of the chain GERMANOS stores and a close related to him person, filed lawsuits against GERMANOS and COSMOTE of a total amount of Euro 32.5, out of which an amount of Euro 5.0 relates to material and consequential damage for alleged breach of competition law, unconventional behavior under the commercial cooperation and tort and an amount of Euro 27.5 relates to non-material damage.

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs 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	**30/06/2017**	**31/12/2016**	**30/06/2017**	**31/12/2016**
Financial Assets				
Trade receivables	745.7	730.5	745.7	730.5
Loans to pension funds	91.1	91.7	123.9	129.0
Loans and advances to employees	54.6	54.7	54.6	54.7
Guarantees	6.1	6.0	6.1	6.0
Guaranteed receipt from Grantor (Financial asset model)	81.2	73.6	81.2	73.6
Restricted cash	3.7	3.6	3.7	3.6
Cash and cash equivalents	1,508.5	1,585.6	1,508.5	1,585.6
Financial Liabilities				
Long-term borrowings	1,234.9	1,941.0	1,293.8	2,029.2
Short-term borrowings and short-term portion of long-term borrowings	806.9	184.1	836.1	186.9
Trade accounts payable	1,146.3	1,364.1	1,146.3	1,364.1
Interest payable	71.3	48.4	71.3	48.4
Unpaid portion for spectrum licenses	25.4	38.9	25.4	38.9
Liability for TV broadcasting rights	33.0	58.8	33.0	58.8

	Carrying Amount		Fair value	
COMPANY	**30/06/2017**	**31/12/2016**	**30/06/2017**	**31/12/2016**
Financial Assets				
Trade receivables	363.2	348.7	363.2	348.7
Loans to pension funds	91.1	91.7	123.9	129.0
Loans and advances to employees	54.5	54.5	54.5	54.5
Guarantees	0.4	0.4	0.4	0.4
Other receivables from related parties	5.6	4.7	5.6	4.7
Loans to group companies	30.1	30.1	30.2	31.7
Cash and cash equivalents	380.0	511.6	380.0	511.6
Financial Liabilities				
Long-term borrowings	1,067.7	1,348.5	1,113.3	1,400.1
Short-term borrowings and short-term portion of long-term borrowings	540.6	478.5	553.6	481.9
Trade accounts payable	402.7	491.9	402.7	491.9
Interest payable	52.2	39.5	52.2	39.5
Liability for TV broadcasting rights	27.7	38.8	27.7	38.8

The fair values of loans to pension funds, loans to group companies, long-term borrowings, short-term borrowings and short-term portion of long-term borrowings are based on either quoted (unadjusted) prices or on cash flows discounted using either direct or indirect observable inputs. The fair value of the remaining financial assets and financial liabilities approximate their carrying amounts.

As at June 30, 2017, the Group and the Company held the following financial instruments measured at fair value:

GROUP	Fair value 30/06/2017	Fair value 31/12/2016	Fair value hierarchy
Financial Assets			
Available-for-sale mutual funds	4.1	3.5	Level 1
Available-for-sale mutual funds	1.8	2.1	Level 3

COMPANY	Fair value 30/06/2017	Fair value 31/12/2016	Fair value hierarchy
Financial Assets			
Available-for-sale mutual funds	2.3	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 capital controls initially imposed on June 28, 2015 continue to be in place but have been eased over time. The capital controls had a short term impact on the Group's Greek operations, however this has normalized. To the extent that the agreed terms and conditions of the third bailout program are implemented and assuming that the capital controls will be further eased or eliminated in the short to medium term, 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, it has concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of June 30, 2017.

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 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 Group 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 volume 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.

Group's cash and cash equivalents are mainly 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 pension funds mainly due to prior year voluntary leave schemes. The latter loans are exposed to credit risk related to the debt servicing capacity of the funds.

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, 2017 amount to Euro 1,514.4 and Euro 389.6 respectively and their short-term debt amounts to Euro 806.9 and Euro 540.6 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 in exchange rates between the functional currencies and other currencies. The main currencies within the Group are the Euro, the Ron (Romania) and the Lek (Albania).

Capital Management

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

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

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

GROUP	**June 30, 2017**	**December 31, 2016**
Long-term borrowings	1,234.9	1,941.0
Short-term portion of long-term borrowings	806.9	184.1
Cash and cash equivalents	(1,508.5)	(1,585.6)
Net debt	**533.3**	**539.5**
Total equity	2,636.4	2,651.7
Gearing ratio	**0.20x**	**0.20x**

COMPANY	**June 30, 2017**	**December 31, 2016**
Long-term borrowings	1,067.7	1,348.5
Short-term borrowings	163.0	350.0
Short-term portion of long-term borrowings	377.6	128.5
Cash and cash equivalents	(380.0)	(511.6)
Net debt	**1,228.3**	**1,315.4**
Total equity	2,864.6	2,802.7
Gearing ratio	**0.43x**	**0.47x**

15. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant event after June 30, 2017, is as follows:

Euro 150.0 bilateral term loan with the European Investment Bank (EIB) and Euro 150.0 syndicated facility arranged by the European Bank for Reconstruction and Development (EBRD).

On July 10, 2017, COSMOTE signed, with the guarantee of OTE, a Euro 150.0 bilateral term loan with EIB and a Euro 150.0 syndicated facility arranged by EBRD. As of the date of the publication of these Financial Statements, the loans have not been drawn.

V. FINANCIAL DATA AND INFORMATION

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

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

REGISTERED OFFICE: 99 KIFISSIAS AVE - 15124 MAROUSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2017 TO JUNE 30, 2017

(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 2, 2017
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 STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
ASSETS				
Property, plant and equipment	2,829.4	2,852.5	1,251.2	1,225.0
Intangible assets	1,404.6	1,488.7	162.3	200.8
Other non current assets	510.5	501.6	3,781.2	3,781.6
Inventories	101.5	95.9	20.9	23.5
Trade receivables	745.7	730.5	363.2	348.7
Other current assets	320.5	316.8	150.2	109.7
Cash and cash equivalents	1,508.5	1,585.6	380.0	511.6
TOTAL ASSETS	**7,420.7**	**7,571.6**	**6,109.0**	**6,200.9**
EQUITY AND LIABILITIES				
Share capital	1,387.1	1,387.1	1,387.1	1,387.1
Other equity items	967.0	968.9	1,477.5	1,415.6
Equity attributable to shareholders of the parent (a)	2,354.1	2,356.0	2,864.6	2,802.7
Non-controlling interests (b)	282.3	295.7	-	-
Total equity (c) = (a) + (b)	**2,636.4**	**2,651.7**	**2,864.6**	**2,802.7**
Long-term borrowings	1,234.9	1,941.0	1,067.7	1,348.5
Provisions / Other non-current liabilities	493.8	538.7	474.4	489.9
Short-term borrowings	806.9	184.1	540.6	478.5
Other current liabilities	2,248.7	2,256.1	1,161.7	1,081.3
Total liabilities (d)	**4,784.3**	**4,919.9**	**3,244.4**	**3,398.2**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**7,420.7**	**7,571.6**	**6,109.0**	**6,200.9**

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

	01.01-30.06.2017	01.01-30.06.2016	01.04-30.06.2017	01.04-30.06.2016
Total revenues	1,867.8	1,883.2	938.8	954.7
Profit before taxes, investment and financial activities	**214.8**	**196.4**	**110.3**	**99.2**
Profit before tax	135.0	126.5	59.6	63.0
Profit after tax (A)	**52.3**	**48.7**	**19.8**	**22.6**
Attributable to:				
- Owners of the parent	67.5	67.5	31.1	33.6
- Non - controlling interests	(15.2)	(18.8)	(11.3)	(11.0)
Other comprehensive income / (loss) after tax (B)	**10.8**	**(18.4)**	**16.3**	**(15.9)**
Total comprehensive income after tax (A) + (B)	**63.1**	**30.3**	**36.1**	**6.7**
Attributable to:				
- Owners of the parent	79.5	48.8	47.8	21.7
- Non - controlling interests	(16.4)	(18.5)	(11.7)	(15.0)
Basic earnings per share (in €)	**0.1381**	**0.1381**	**0.0636**	**0.0687**
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**607.3**	**610.5**	**305.7**	**305.1**

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

	01.01-30.06.2017	01.01-30.06.2016	01.04-30.06.2017	01.04-30.06.2016
Total revenues	782.8	768.4	390.8	389.5
Profit before taxes, investment and financial activities	**173.2**	**161.3**	**84.7**	**85.3**
Profit before tax	181.7	114.2	115.2	63.1
Profit after tax (A)	**135.9**	**72.2**	**92.8**	**39.5**
Other comprehensive income / (loss) after tax (B)	**4.4**	**(19.0)**	**3.2**	**(8.6)**
Total comprehensive income/ (loss) after tax (A)+(B)	**140.3**	**53.2**	**96.0**	**30.9**
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**329.0**	**320.3**	**163.1**	**161.8**

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

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Total equity at the beginning of the period (01.01.2017 and 01.01.2016)	**2,651.7**	**2,609.2**	**2,802.7**	**2,754.5**
Total comprehensive income after tax	63.1	30.3	140.3	53.2
Dividend distribution	(78.2)	(48.9)	(78.2)	(48.9)
Share option plans	(0.2)	(0.1)	(0.2)	(0.1)
Total equity at the end of the period (30.06.2017 and 30.06.2016)	**2,636.4**	**2,590.5**	**2,864.6**	**2,758.7**

STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	01.01-30.06.2017	01.01-30.06.2016	01.01-30.06.2017	01.01-30.06.2016
Cash flows from operating activities				
Profit before tax	135.0	126.5	181.7	114.2
Adjustments for:				
Depreciation, amortization and impairment	392.5	414.1	155.8	159.0
Costs related to voluntary leave schemes	10.7	7.7	2.1	2.6
Provision for staff retirement indemnities	5.5	5.9	4.6	4.6
Provision for youth account	1.4	1.5	1.4	1.5
Provision for doubtful accounts	46.8	43.8	10.2	9.9
Foreign exchange differences, net	10.2	0.3	1.2	(1.0)
Interest income	(0.8)	(1.3)	(1.2)	(1.1)
Dividend income	-	-	(55.6)	(0.4)
(Gains) / losses from investments and other financial assets - Impairment	-	(0.6)	-	0.2
Interest and related expenses	70.4	71.5	47.1	49.4
Working capital adjustments:				
Decrease / (increase) in inventories	(5.8)	(13.2)	2.5	(1.2)
Decrease / (increase) in receivables	(75.6)	(128.2)	(11.9)	(50.6)
(Decrease) / increase in liabilities (except borrowings)	(91.2)	15.5	(2.5)	36.0
Plus / (Minus):				
Payment for voluntary leave schemes	(10.2)	(8.7)	(6.3)	(3.8)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(6.0)	(7.4)	(6.0)	(7.4)
Interest and related expenses paid	(37.3)	(55.1)	(29.5)	(39.7)
Income tax paid	(13.5)	(34.3)	(1.2)	(0.4)
Net cash flows from operating activities (a)	**432.1**	**438.0**	**292.4**	**271.8**
Cash flows from investing activities				
Sale or maturity of financial assets	0.2	-	-	-
Loans granted	-	-	-	(7.0)
Repayment of loans receivable	2.7	3.4	2.7	3.4
Purchase of property, plant and equipment and intangible assets	(423.5)	(316.3)	(206.1)	(138.2)
Movement in restricted cash	(0.1)	(0.9)	-	-
Interest received	0.7	1.3	1.2	1.1
Net cash flows used in investing activities (b)	**(420.0)**	**(312.5)**	**(202.2)**	**(140.7)**
Cash flows from financing activities				
Share option plans	(0.3)	(0.2)	(0.3)	(0.2)
Proceeds from loans granted and issued	-	-	193.6	350.0
Repayment of loans	(87.4)	(411.9)	(414.8)	(476.1)
Dividends paid to Company's owners	(0.3)	(0.3)	(0.3)	(0.3)
Net cash flows used in financing activities (c)	**(88.0)**	**(412.4)**	**(221.8)**	**(126.6)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(75.9)**	**(286.9)**	**(131.6)**	**4.5**
Cash and cash equivalents, at the beginning of the period	**1,585.6**	**1,322.5**	**511.6**	**290.3**
Net foreign exchange differences	(1.2)	(0.2)	-	-
Cash and cash equivalents, at the end of the period	**1,508.5**	**1,035.4**	**380.0**	**294.8**

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, 2017 for litigations and other risks, as well as for unaudited tax years are as follows: a) for the Group € 124.4 million and € 29.2 million respectively and b) for the Company € 110.4 million and € 16.1 million respectively. The most significant outstanding legal cases are presented in Note 13 of the financial statements.
4) Number of employees at the end of the period Group 21,152 (30.06.2016: 21,497), Company 8,507 (30.06.2016: 8,653).
5) Other comprehensive income / (loss) after tax for the first six months of 2017 which was recognized directly in equity for the Group, relates to actuarial gains € 4.1 million (net of deferred taxes), foreign currency translation € 6.4 million (net of deferred taxes) and the net movement in available for sale financial assets € 0.3 million (net of deferred taxes).
   As for the Company, it relates to actuarial gains € 4.1 million (net of deferred taxes) and the net movement in available for sale financial assets € 0.3 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, 2017.
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 2017, amounted to € 69.8 million and € 117.1 million, respectively. Other operating income for the first six months of 2017 amounted to € 0.7 million. Finance income and expense for the first six months of 2017 amounted to € 0.5 million and € 31.7 million, respectively. The outstanding balance of receivables and payables from / to related parties as of June 30, 2017 derived from current transactions amounted to € 168.1 million and € 218.3 million, respectively.
   The outstanding balance of loans receivables from and payables to related parties amounted to € 30.2 million and € 1,323.3 million, respectively.
   Dividend income from related parties amounts to € 55.6 million. Fees paid to the members of the Board of Directors of the Company and the Company's key management personnel compensation charged to the Income Statement for the first six months of 2017, amounted to € 4.6 million.
   At Group level, sales and purchases of goods and services between related parties which are not eliminated, for the first six months of 2017 amounted to € 19.4 million and € 16.5 million, respectively. Other operating income, between related parties which are not eliminated, for the first six months of 2017 amounted to € 0.1 million.
   The outstanding balance of receivables and payables, between related parties which are not eliminated, as of June 30, 2017 derived from operating transactions amounted to € 59.0 million and € 141.9 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, 2017 is presented in Note 15 of the financial statements.

Maroussi, August 2, 2017

CHAIRMAN AND MANAGING DIRECTOR	BOARD MEMBER AND OTE GROUP CHIEF FINANCIAL OFFICER	EXECUTIVE DIRECTOR FINANCIAL OPERATIONS OTE GROUP	ACCOUNTING DIRECTOR
MICHAEL TSAMAZ I.D. Number AB 516212	CHARALAMPOS MAZARAKIS I.D. Number AE 096808 License Number 0021943	GEORGE MAVRAKIS I.D. Number AN 023801	ANASTASIOS KAPENIS I.D.Number AK 618263 License Number 0086190