HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

GROUP OF COMPANIES

SIX MONTHS FINANCIAL REPORT

For the period
from January 1, 2019 to June 30, 2019

(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. Eelco Blok, Vice Chairman of the Board of Directors
3. Charalampos Mazarakis, 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, 2019 to June 30, 2019, 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 Company and of the companies included in the consolidation taken as a whole, in accordance with the provisions of paragraphs 3 to 5 of article 5 of L. 3556/2007.

b. The report of the Board of Directors for the first half of the year provides a true and fair view of the information required according to paragraph 6 of article 5 of L. 3556/2007, i.e. the significant events of the 1st half of 2019 and their impact on the six months financial statements, the development, performance and the financial position of the Company and the companies included in the consolidation taken as a whole, the description of the risks and uncertainties for the 2nd half of the year as well as the material transactions between the Company, its consolidated companies and other related parties.

Maroussi, August 7, 2019

Chairman & Managing Director	Vice Chairman of the BoD	Board Member
Michael Tsamaz	Eelco Blok	Charalampos Mazarakis

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 7, 2019.

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 as well as the relevant decisions of the Board of Directors of the Hellenic Capital Market Commission and refers to the Interim Condensed Financial Statements (Consolidated and Separate) as of June 30, 2019 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, 2019 to June 30, 2019, the outlook for the second half of 2019, the significant events which took place in the first half of 2019, 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 2019.

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

The interim condensed OTE's Financial Statements (separate and consolidated), Auditor's Report on review of interim financial information and the half year report of the Board of Directors can be found on the following link:
https://www.cosmote.gr/cs/otegroup/gr/oikonomikes_katastaseis_omilou_ote_kai_ae.html.

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

A.FINANCIAL HIGHLIGHTS OF 1ST HALF OF 2019

GROUP AND COMPANY

OTE Group revenues increased by 0.3% in the first half of 2019 compared to the related period of 2018 and reached Euro 1,855.5, mainly due to:

- increased revenues from fixed business by 1.8%,
- partially offset by decreased revenues from mobile business by 2.5%.

OTE's revenues reached Euro 782.0, reflecting an increase of 0.8% compared to the same period last year. This is a result of the increase in revenues from fixed business by 1.1%, the increase in revenues from mobile business by 1.9% and the decrease of miscellaneous other revenues by 5.7%.

The Group's operating expenses reached Euro 1,720.0 and reflect an increase of 3.0% compared to the same period last year. This increase is mainly due to the increase in costs related to voluntary leave schemes by 46.9%, in personnel costs by 4.8%, in interconnection and roaming costs by 6.0% and in depreciation amortization and impairment by 23.0% . These increases were partially offset by the decrease in provision for doubtful accounts by 20.5%, in marketing costs by 16.4%, in maintenance and repairs by 15.7% and in other operating expenses by 12.0%. **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 1,193.0 compared to Euro 1,247.9 in the same period last year, reflecting a decrease of 4.4% mainly due to other operating expenses reduction coming from the adoption of IFRS 16.

The Company's operating expenses reached Euro 643.2 in the first half of 2019 reflecting an increase of 4.3% compared to the same period last year. The increase is mainly due to the increase in costs related to voluntary leave schemes by 49.2%, as well as increases in provision for doubtful accounts by 9.2%, in commission costs by 8.0%, in personnel costs by 10.3% and depreciation, amortization and impairment by 15.1%. These increases were partially offset by the decrease in maintenance and repairs by 15.1%, in marketing by 8.5%, in interconnection and roaming costs by 4.3% and in other operating expenses by 12.5%. **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 416.2 in the first half of 2019 compared to Euro 428.8 in the same period last year, reflecting a decrease of 2.9%.

As a result, **Group's operating profit before financial and investing activities** for the first half of 2019 reached Euro 152.9 compared to Euro 208.4 in the same period last year, reflecting a decrease of 26.6%. **Company's Operating profit before financial and investing activities** for the first half of 2019 reached Euro 143.0 compared to Euro 163.6 in the same period last year, reflecting a decrease of 12.6%.

The Group's EBITDA for the first half of 2019 reached Euro 625.4 compared to Euro 592.4 in the same period last year, reflecting an increase of 5.6%. The respective margin on revenues reached 33.7% compared to 32.0% in the same period last year. **The Group's adjusted EBITDA** for the first half of 2019 reached Euro 679.9 compared to Euro 629.8 in the same period last year, reflecting an increase of 8.0%. The respective margin on revenues reached 36.6% compared to 34.0% in the same period last year. Before the adoption of IFRS 16 **Group's adjusted EBITDA** for the first half of 2019 reached Euro 632.5.

The Company's EBITDA for the first half of 2019 reached Euro 320.6 compared to Euro 317.9 in the same period last year, reflecting an increase of 0.8%. The respective margin on revenues reached 41.0%, stable compared to the same period last year. **The Company's adjusted EBITDA** for the first half of 2019 reached Euro 370.0 compared to Euro 351.3 in the same period last year, increased by 5.3%, mainly reflecting the adoption of IFRS 16. The respective margin on revenues reached 47.3% compared to 45.3% in the same period last year.

In relation to **the Group's financial activities**, interest and related expenses in the first half of 2019 were Euro 50.2, reflecting an increase of 16.7% compared to the same period last year, mostly due to the adoption of IFRS 16. Interest income amounted to Euro 2.3 for the first half of 2019 reflecting an increase of 155.6% compared to the same period last year. Foreign exchange differences resulted in gains of Euro 13.6 in the first half of 2019 compared to losses of Euro 1.8 in the same period last year.

Income tax expense of the Group was Euro 63.9 in the first half of 2019, reflecting an increase of 3.9% compared to the same period last year.

Considering all the above, **the Group's Profit for the period from continuing operations** in the first half of 2019 was Euro 80.5 compared to Euro 102.9 in the same period last year, reflecting a decrease of 21.8%.

In the first half of 2019, **losses attributable to non-controlling interests** in the Group's income statement reached Euro 19.0 compared to Euro 11.6 in the same period of 2018, mainly due to Romanian's performance.

As a result of all the above, **the Group's profit from continuing operations attributable to the owners of the parent** for the first half of 2019 reached Euro 99.5 compared to Euro 114.5 in the same period last year.

The Group's adjusted capital expenditure (Adjusted CAPEX) for the first half of 2019 amounted to Euro 354.2 from Euro 332.4 in the same period last year, reflecting an increase of 6.6%.

The Group's adjusted free cash flows before IFRS 16 stood at Euro 208.3 in the first half of 2019 versus Euro 105.2 in the same period last year.

The Group's total debt (excluding lease liabilities) as of June 30, 2019 was Euro 1,731.0 compared to Euro 1,828.6 at December 31, 2018, reflecting a decrease of 5.3%. The **Group's Adjusted Net Debt before IFRS 16** at June 30, 2019, reached Euro 601.6 from Euro 738.8 at December 31, 2018, reflecting a decrease of 18.6%. The **Group's Adjusted Net Debt (including lease liabilities)** at June 30, 2019, reached Euro 1,012.4

B.SIGNIFICANT EVENTS OF THE 1st HALF OF 2019

VOLUNTARY LEAVE SCHEMES

In the 1st half of 2019, OTE Group implemented a Voluntary Leave Scheme program; approximately 320 people in Greece and 145 people in Romania left the Group under this program.

Group companies applied voluntary leave schemes, the total cost of which is as follows:

	1st Half 2019
OTE	49.4
COSMOTE Group - Greece	2.9
TELEKOM ROMANIA MOBILE (former COSMOTE Group – Romania)	0.2
TELEKOM ROMANIA	2.0
Costs related to voluntary leave schemes	**54.5**

Amounts paid during 2019, in relation to voluntary leave schemes were Euro 50.0 for the Group and Euro 42.4 for the Company.

DIVIDEND

On June 12, 2019, the General Assembly of OTE's Shareholders approved the distribution of dividend of a total amount of Euro 220.8 or Euro 0.463903 (in absolute amount) per share.

On June 13, 2019 the Company's Board of Directors approved the distribution of the net proceeds of the sale of TELEKOM ALBANIA in the form of extraordinary dividend of a total amount of Euro 28.8 or at Euro 0.060595 (in absolute amount) per share.

PARTICIPATION IN TELEKOM ROMANIA MOBILE

On March 20, 2019, COSMOTE's Board of Directors approved the sale to TELEKOM ROMANIA of its total ownership interest of 70% in the share capital of TELEKOM ROMANIA MOBILE for a total consideration of Euro 1.0 (absolute amount), under the condition subsequent of the share capital increase in TELEKOM ROMANIA MOBILE for an amount of Euro 800.0. The respective Share Transfer Agreement was signed on April 23, 2019.

On March 20, 2019, the Board of Directors of OTE approved a series of measures aiming at the capital restructuring of TELEKOM ROMANIA MOBILE. More specifically, the share capital increase of TELEKOM ROMANIA MOBILE was approved and the participation of OTE in the aforementioned increase by contributing in cash an amount of Euro 800.0. The share capital increase would be used, for the repayment by TELEKOM ROMANIA MOBILE of the total outstanding liability in relation to COSMOTE's intercompany loan to TELEKOM ROMANIA MOBILE within 2019, and for working capital needs.

Within this framework, the Board of Directors of OTE on March 20, 2019 and the Extraordinary General Meeting of TELEKOM ROMANIA MOBILE on April 2, 2019 respectively approved, the funding of TELEKOM ROMANIA MOBILE through loan granted by OTE, of an amount of Euro 270.0. The proceeds of the loan would be used for the repayment of the accrued interest, as a result of COSMOTE's intercompany loan to TELEKOM ROMANIA MOBILE, as well as for working capital needs. Following the disbursement of the above loan, on April 10, 2019, TELEKOM ROMANIA MOBILE proceeded with the repayment of accrued interest to COSMOTE. The loan was fully repaid by TELEKOM ROMANIA MOBILE to OTE on May 23, 2019.

On April 24, 2019 the Extraordinary General Meeting of TELEKOM ROMANIA MOBILE approved the increase of its share capital by Euro 800.0. OTE participated in the share capital increase by cash contribution, representing 100% of the aforementioned share capital increase. The amount was paid on May 20, 2019. After the completion of the process OTE's total ownership interest in the share capital of TELEKOM ROMANIA MOBILE stands at 70.0%.

ADJUSTMENT OF THE VALUE OF INVESTMENT IN TELEKOM ROMANIA MOBILE

In the context of the impairment test of goodwill carried out on TELEKOM ROMANIA MOBILE cash generating unit, the carrying value of OTE's investment in TELEKOM ROMANIA MOBILE was adjusted based on the value in use and an impairment loss of Euro 546.0 was recognized in the interim separate income statement and is included in the line "Gains / (losses) from investments and other financial assets – Impairment".

AGREEMENT FOR THE SALE OF TELEKOM ALBANIA

On January 16, 2019, the Group announced the signing of an agreement to sell its entire stake in TELEKOM ALBANIA to Albania Telecom Invest AD, a Bulgarian company. On May 8, 2019 after receiving approval from all relevant authorities, OTE announced the completion of the sale of its entire stake in TELEKOM ALBANIA, to Albania Telecom Invest AD, for a total gross equity consideration of Euro 50.1. Following the Board of Directors approval, net proceeds corresponding to an extraordinary Euro 0.06 dividend per share will be distributed to shareholders with payment date on July 26, 2019.

In the consolidated statement of financial position as of December 31, 2018, taking into account the provisions of IFRS 5, this disposal group met the criteria for classification as held for sale and therefore, its assets and liabilities are presented separately from other assets and liabilities of the Group in the line items "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", respectively.

Furthermore, the operations of this disposal group represent a separate geographical area of operations for the Group (mobile telecommunication services in Albania) and a separate cash generating unit. As a result, its operations for the year 2018 until the date of disposal i.e. May 7, 2019, have been treated as discontinued operations.

In the cash flow statement, the cash flows from the operating, investing and financing activities of this disposal group have been separated from the rest cash flows of the Group and reported as single line items under each activity.

CANCELLATION OF OWN SHARES

In 2018, 8,890,960 treasury shares were acquired for the purpose of cancellation within the framework of the Share Repurchase Program approved by the General Meeting of Shareholders on February 15, 2018. In addition, prior to the commencement of the aforementioned Share Repurchase Program, OTE held 1,320,110 treasury shares.

The Extraordinary General Meeting of Shareholders of December 19, 2018 approved the cancellation of the aforementioned total treasury shares, i.e. 10,211,070 shares (2.083% of total share capital), together with the corresponding reduction in the Company's share capital of Euro 28.9 and amendment of the Company's Articles of Incorporation (article 5). The cancellation was proposed pursuant to the Shareholders Remuneration Policy approved by the Board of Directors on January 18, 2018.

On February 5, 2019, following notification to the Corporate Actions Committee of the Athens Stock Exchange and the completion of other legal and regulatory procedures, the aforementioned shares of 10.211.070 were cancelled and delisted from the Athens Exchange effective from February 19, 2019.

C.OUTLOOK FOR THE 2nd HALF OF 2019

In Greece, where the economic recovery is gaining momentum, OTE expects to further benefit from its investments in advanced data networks in both fixed and mobile, as well as from the customer-centric strategy that has supported its revenue growth in the past years. Performance in Romania is expected to stabilize following the 2018 one-off items and measures currently being implemented. The Group systematically explores cost-reduction measures to support growth and the necessary investments across its businesses. The Group has launched a number of initiatives to digitize its operations and customer interactions, which are expected to enable significant improvements going forward. In full year 2019, management continues to expect adjusted Capex of approximately Euro 650.0. Primarily reflecting lower Capex and further Operating Cash Flow improvements, OTE expects 2019 full-year adjusted Free Cash Flow of approximately Euro 450.0, while reported Free Cash Flow should reach approximately Euro 350.0.

D.RISKS AND UNCERTAINTIES FOR THE 2nd HALF OF 2019

OTE Group has developed and applies an Enterprise Risk Management System that supports Management in its strategic decision-making, in order to safeguard its smooth operation and future corporate success. This is achieved by identifying, evaluating, communicating and addressing enterprise risks (sustainability risks included) utilizing all strategic and operational risk mitigation and monitoring measures available in risk management.

Furthermore, periodically, an analysis of material topics (Materiality Assessment) is conducted, in order to identify the most important issues for the sustainable development of the Group. The analysis is based on the unified Enterprise Risk Management methodology on significant strategic, economic, environmental and social aspects which may have influence on (and/or may be influenced by) the decisions of the Group, taking into account the expectations of the Group's stakeholders.

Macroeconomic conditions in Greece – Capital controls

The macroeconomic and financial environment in Greece is showing continuous signs of stability, following the successful completion of the Third Program and the release of the third enhanced surveillance report by the European Commission on June 5, 2019. The capital controls initially imposed on June 28, 2015 continue to be in place but have been eased over time. To the extent that will be no delays in the completion of key structural reforms 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, 2019.

Brexit

The Group is assessing potential implications from the exit of United Kingdom from the European Union (Brexit) and taking measures to mitigate any disruption. From the analysis performed up to date, Brexit is not expected to have a material adverse effect on the operations of the Group.

Financial Risks

The below stated risks are significantly affected by 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 fair value through profit and loss include mutual funds and other securities. These financial assets are not considered to expose the Group and the Company to a significant credit risk.

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Group and the Company. However, due to the large number of customers and the diversification of the customer base, there is no concentration of credit risk with respect to these receivables. Concentration of risk is however considered to exist for amounts receivable from other telecommunication service providers, due to their relatively small number and the high 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 recognizes 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 business group, their credit risk characteristics, aging profile and existence of previous financial difficulties, also adjusted for forward-looking factors specific to the customers and the economic environment.

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 years' voluntary leave schemes. The latter loans are exposed to credit risk related to the debt servicing capacity of the pension fund.

b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due. Liquidity risk is kept at low levels by ensuring that there is sufficient cash on demand and / or credit facilities to meet the financial obligations falling due in the next 12 months. The Group's and the Company's cash and cash equivalents and other financial assets as at June 30, 2019 amount to Euro 1,129.4 and Euro 525.8 respectively, their short-term portion of long-term borrowings amount to Euro 484.0 and Euro 275.0, respectively and their short-term lease liabilities amount to Euro 69.0 and Euro 39.0, respectively.

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

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will result in fluctuations of the value of the Group's and the Company's financial instruments. The objective of market risk management is to manage and control exposure within acceptable levels.

The individual risks that comprise market risk and the Group's and the Company's policies for managing them are described below:

i. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's long-term borrowings.

ii. Foreign currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes.

The Group operates in Southeastern Europe and as a result is exposed to currency risk due to changes between the functional currencies and other currencies. The main currencies within the Group are the Euro and the Ron (Romania).

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 Group level. Net debt includes interest bearing loans and notes, as well as long-term and short-term lease liabilities (following IFRS 16 adoption as of January 01, 2019), less cash and cash equivalents.

GROUP	June 30, 2019	December 31, 2018
Long-term borrowings	1,247.0	1,280.6
Short-term portion of long-term borrowings	484.0	548.0
Lease liabilities (long-term portion)	341.8	-
Lease liabilities (short-term portion)	69.0	-
Cash and cash equivalents	(1,123.5)	(1,084.7)
Net debt	**1,018.3**	**743.9**
Total equity	2,300.6	2,574.7
Gearing ratio	**0.44x**	**0.29x**

COMPANY	June 30, 2019	December 31, 2018
Long-term borrowings	1,095.9	1,270.4
Short-term portion of long-term borrowings	275.0	278.6
Lease liabilities (long-term portion)	238.6	-
Lease liabilities (short-term portion)	39.0	-
Cash and cash equivalents	(520.1)	(292.9)
Net debt	**1,128.4**	**1,256.1**
Total equity	3,156.3	2,888.9
Gearing ratio	**0.36x**	**0.43x**

d) Other risks

In OTE Group, Risk Assessment is a structured process for the identification, analysis, evaluation and treatment 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 adopted a range of fiscal measures which aimed at increasing public tax revenues which materially affected the Group's and the Company's income statement. In December 2018, a gradual reduction of the corporate income tax rate was announced by 1% annually starting from year 2019 when the tax rate will be set at 28% until 25% for 2022 onwards. Given the fiscal position of the Greek State, it cannot be excluded that 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") has designated OTE as having Significant Market Power (SMP) in the relevant wholesale markets and controls the company's pricing policy. The pricing regulatory obligations require OTE to set often higher prices than its competitors for the same services.

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 & 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 has implemented a robust BCM System certified with ISO 22301:2012. Comprehensive Network and IT Disaster Recovery (NDR & IT DR) Programs covering Fixed & Cellular networks are already instated, while mitigation measures are further enhanced through the gradual introduction of architectural changes & new technologies in order to promote Network & IT resilience & availability.

Furthermore, power availability at critical sites is constantly monitored and enhanced. Two of the main Network & IT Data Centers were awarded with a Tier III-category certification by the Uptime Institute. During 2019, 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.

Information security

Telecommunication companies are subject to risks in relation to systems’ security and their infrastructure, which might compromise the confidentiality, the integrity and the availability of any form of disclosed information they handle. Information theft and manipulation, denial of service (DoS) attacks and other forms of advanced persistent threats are amongst possible risk scenarios. Loss or damage to data or software programs, business interruption, degradation in service quality or failure of the network, risks regarding corporate information or data entrusted to the Company by third parties, and default in specific security requirements, which are provided for by a client’s contract, are amongst the top risks, to which the Company is exposed.

Due to the amount of information that the Company processes and the fact that OTE provides more systematically integrated ICT solutions, including services for large customers and public institutions, the risk, and therefore the potential consequences of a cyberattack, have increased.

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 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 audits). Moreover, in the Security Operations Center of the Company, data are collected and analyzed from multiple security systems, in order to timely detect security incidents (e.g. cyber-attacks) and respond effectively, in compliance with legal and regulatory requirements.

Data Protection

The Company collects, stores and uses data, in the ordinary course of its operations, which is protected by data protection laws. Although precautions are taken to protect subscriber data in accordance with the privacy requirements provided for under applicable laws, measures may fail and certain subscriber data may be lost as a result of human error or technological failure or otherwise be used inappropriately. Violation of data protection laws or regulations by the Company or one of its partners or suppliers may result in fines, reputational harm and subscriber churn and could have a material adverse effect on the business and its financial condition.

On May 25th 2018, after a two-year transition period, the General Data Protection Regulation (EU) (2016/679) entered into force, by the European Parliament and the European Council. The Regulation contains extensive obligations for companies in relation to procedures and mechanisms for dealing with personal data and rights of data subjects and in cases of a breach, permits supervisory authorities to impose fines of up to 4% of the Group's annual worldwide turnover (or Euro 20, whichever higher).

Ensuring data protection and safeguarding all sensitive data is one of OTE Group’s top priorities; it’s more than just an obligation to meet legal and regulatory requirements, it’s also part of the Company’s culture. In this context, OTE Group has established a Data Privacy Department, which is responsible for advising the OTE Group Companies on the obligations arising from the data protection regulatory framework and their implementation and overseeing compliance with it.

In order to ensure the Company’s compliance with the provisions of the Regulation, certain activities have been implemented, including, inter alia, employees’ awareness activities, development of data protection updates regarding the services provided, signing of data processing agreements with partners, updating of the systems’ documentation, redesigning of the processes for the collection and management of the subscribers’ consent, and strengthening of the protection measures.

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 more than 40% by 2030, compared to 1990 levels.

In this context, OTE Group has adopted a specific environmental strategy comprising 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
- Reinforcing its stakeholders' environmental awareness.

In particular, OTE Group, in order to address climate change, inventories annually all direct and indirect emissions (scope #1,#2 and #3) arising from its operation and endeavors to reduce them.

It's important to mention that energy consumption is a major source of GHG emissions in OTE Group contributing to climate change (and air pollution), and affects the operational cost of OTE Group, which is also directly related to the regulated charges of the national electricity grid, and may also be influenced by:

- Increases due to the fees / levies / burdens imposed on 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.).

Low environmental performance could affect the Group's reputation and market share, as surveys indicated that consumers and investors tend to engage with companies that have an effective environmental policy in place.

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

- fixed telecom technology equipment upgrading (All –IP migration)
- 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 telecom network equipment upgrading
- measures to improve energy efficiency in telecommunication equipment and data centers
- buildings energy upgrade
- office space consolidation
- energy management of installations in accordance with the ISO 50001 Standard
- fleet upgrading with new technology vehicles

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 supply chain management takes into consideration the sustainable development principles. Therefore, the Group aims to cooperate with suppliers that are environmentally and socially responsible.

However, there are risks that may potentially cause business operational failures, revenue losses, reputational 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 implements the following Policies and Procedures:

- The OTE Group Supplier Code of Conduct, which is uploaded on the corporate website and is accessible by suppliers. The acceptance of the Code is a prerequisite in order a prospective supplier to enroll at the Suppliers' Portal and also for signing a contract or other agreement (the adherence to the Code is a contractual obligation). Moreover, the supplier must bind its contractors (and/or subcontractors) to the principles of the Supplier Code of Conduct insofar as they are involved in provisioning deliverables under the contract.
- The OTE Group Code of Human Rights & Social Principles, which is uploaded on the corporate website and in the Supplier Portal, is accessible by the suppliers, customers and rest stakeholders of the Group. OTE Group extends the Code's principles to its suppliers and expects them to respect and apply them throughout their operations and business relationships.
- An anti-corruption clause which is obligatory to be included both into the General Order Terms and also as a term in contracts with suppliers. At the above mentioned clause is mentioned, among others, that the supplier and supplier's sub-contractors have the obligation to adhere, in the context of the agreement, to the principles and values (Rules) that are outlined in the "OTE Group Code of Conduct", in the "Supplier Code of Conduct" and in the "OTE Group Code on Human Rights and Social Principles (i.e. the adherence to the Rules is a contractual obligation).

- 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.
- An 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 correlation between health and impact of electromagnetic emissions from telecommunication stations operating below the established EMF exposure safety limits. Furthermore 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 OTE Group 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 with the limits set by law 4070/2012, which are at 60-70% of the ICNIRP limits [establishing the limits, the scientific community has set a safety factor of fifty (50), considering that some population groups may be more vulnerable] at free public access points. In general, OTE Group's policy is based on the default application of the Prevention Principle, which incorporates also the principles of Transparency, Information, Participation and Promotion of Science, for all its products and services.

Therefore, there is the risk of regulatory intervention, such as the reduction of the lowest electromagnetic radiation limits by ICNIRP or the introduction of additional measures for the restructuring of the mobile network (e.g. collocation, the exclusive use of micro-antennas, licensing, etc.)

At the BioEM2018 Conference the International Commission on Non-Ionizing Radiation Protection (ICNIRP) presented the public consultation version of the revised Radiofrequency (RF) exposure guidelines (100 kHz to 300 GHz). The formal consultation process closed on October 9th, 2018, with the aim of publishing final guidelines. The process of revision of the ICNIRP limits is ongoing.

ICNIRP has reviewed the scientific literature to identify the health effects threshold associated with EMF effects. They concluded that there is "*no evidence that RF-EMF causes such diseases as cancer*" and "*no evidence that RF-EMF impairs health beyond effects that are due to established mechanisms of interaction*".

Health and Safety in the workplace

A number of work-related factors is considered to be responsible for jeopardizing the Health and Safety of employees, especially the technical staff, (which includes, inter alia, field technicians, electricians, and warehouse personnel). An unsafe working environment, may burden the company with compensation liabilities and other legal costs, while hurting the company's reputation.
According to the inspections of the risk assessments conducted by the Health and Safety Business Unit, the most significant hazards in the workplace are the ones that the technical staff is exposed to, and caused by the following situations:

1) Improper use of Personal Protective Equipment (P.P.E.), which aims to reduce the severity of an injury.
2) Underground work, which is performed for the purposes of repair or maintenance. An underground construction site, being a confined space with stagnant (dirty) water, which can be a source of infections, puts health and safety at stake, especially when combined with improper use of P.P.E.
3) Work on poles, which can also lead to accidents while working, especially when combined with improper use of P.P.E.
4) Improper use of ladders, which is performed for repair or maintenance purposes.

OTE ensures that the technical staff is always equipped with P.P.E., which is always up to date, certified and audited for its integrity and its date of expiry and renewed according to the standards defined by legislation. Moreover, the Company is conducting trainings and continuous awareness' actions of the technical staff. Technicians participate regularly to seminars, which are continuously enriched (e.g., interactive training).
Apart from the customized actions related to the demanding workload of technicians, all OTE Group employees are covered by private health insurance contracts, compensation programs for health issues, and have occupational physicians at their disposal.

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 Process ("Tell Me") and the relevant communication channels).

Moreover, in the context of the System's implementation, Codes and 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 OTE Group Code of Human Rights and Social Principles, the OTE Group Supplier 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 Policy on Insider Trading.

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.

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.

E.MATERIAL TRANSACTIONS WITH RELATED PARTIES

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

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

DEUTSCHE TELEKOM AG is a 45.96% 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, provides services and delivers goods to them. Furthermore, OTE grants / receives loans to / from these related parties, receives dividends and pays dividends.

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

	1st Half 2019		1st Half 2018	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	47.4	74.9	46.8	72.0
COSMOTE TV PRODUCTIONS	-	3.0	-	0.4
COSMO-ONE	-	0.3	-	0.3
OTE SAT-MARITEL	0.1	-	0.1	0.1
OTE PLUS	-	0.7	-	1.0
OTE ESTATE	0.1	6.0	-	23.2
OTE GLOBE	5.9	19.8	6.9	21.4
OTE ACADEMY	-	0.9	-	0.7
TELEKOM ROMANIA	0.4	-	-	-
TELEKOM ROMANIA MOBILE	0.1	-	-	-
OTE RURAL NORTH	0.8	1.0	0.8	0.8
OTE RURAL SOUTH	1.1	2.2	1.1	1.6
DEUTSCHE TELEKOM group of companies (except for OTE Group)	8.3	2.7	8.6	2.4
TOTAL	**64.2**	**111.5**	**64.3**	**123.9**

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

	1st Half 2019		1st Half 2018	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	21.5	21.1	20.0	18.3
TOTAL	**21.5**	**21.1**	**20.0**	**18.3**

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

	Other operating income OTE	
	1st Half 2019	1st Half 2018
COSMOTE Group - Greece	0.5	0.9
OTE ACADEMY	0.1	0.1
TOTAL	**0.6**	**1.0**

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 2019	1st Half 2018
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 2019		1st Half 2018	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	22.5	-	19.8
COSMOTE Group – Greece	0.1	-	-	-
TELEKOM ALBANIA	-	2.0	-	1.1
TELEKOM ROMANIA MOBILE	2.0	-	-	-
OTE RURAL NORTH	0.1	-	0.2	-
OTE RURAL SOUTH	0.2	-	0.3	-
TOTAL	**2.4**	**24.5**	**0.5**	**20.9**

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

	Dividend income OTE	
	1st Half 2019	1st Half 2018
OTESAT-MARITEL	0.6	-
COSMOTE Group – Greece	1,050.0	-
OTE ESTATE	-	30.0
TOTAL	**1,050.6**	**30.0**

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

	30/06/2019		31/12/2018	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	56.2	208.7	64.0	183.7
TELEKOM ROMANIA MOBILE	0.2	-	0.3	-
TELEKOM ALBANIA	-	-	0.2	-
COSMOTE TV PRODUCTIONS	-	1.6	-	1.3
COSMO-ONE	-	0.3	0.1	0.2
OTESAT-MARITEL	4.6	-	4.0	-
OTE PLUS	-	1.2	-	1.6
OTE ESTATE	1.5	231.3	122.0	1.5
OTE INSURANCE	-	-	0.1	-
OTE GLOBE	3.7	15.3	4.6	11.4
OTE ACADEMY	0.4	0.3	0.5	0.9
TELEKOM ROMANIA	1.7	-	1.3	0.1
OTE RURAL NORTH	0.5	0.4	2.0	0.3
OTE RURAL SOUTH	0.7	1.2	3.1	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.9	121.4	9.6	5.1
TOTAL	**74.4**	**581.7**	**211.8**	**206.3**

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 115.7 as of June 30, 2019 (December 31, 2018: nil).

In 2018, OTE ESTATE proceeded to share capital reduction by an amount of Euro 120.6, which reduced by an equal amount, the carrying value of OTE's investment. The relative amount has been received by OTE within 2019.

Amounts owed by OTE to OTE ESTATE and COSMOTE Group - Greece include liabilities related to leasing obligations amounting to Euro 229.6 and Euro 13.0 respectively as of June 30, 2019.

Following the adoption of IFRS 16, OTE's lease liabilities to related parties are analyzed as follows:

	Lease liabilities, opening balance	Lease payments	Contract Modifications	Interest expense	Lease liabilities, ending balance
OTE ESTATE	241.0	(17.9)	(0.2)	6.7	229.6
COSMOTE Group - Greece	15.4	(2.7)	-	0.3	13.0
TOTAL	**256.4**	**(20.6)**	**(0.2)**	**7.0**	**242.6**

In addition, the Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 16.9.

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:

	30/06/2019		31/12/2018	
	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)	21.3	178.0	26.3	70.9
TOTAL	**21.3**	**178.0**	**26.3**	**70.9**

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 115.7 as of June 30, 2019 (December 31, 2018: nil).

On May 17, 2019 OTE PLC issued Euro 200.0 notes, which were subscribed by DEUTSCHE TELEKOM AG. The notes were fully prepaid on June 17, 2019.

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

	30/06/2019		31/12/2018	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,343.5	-	1,322.2
COSMOTE Group – Greece	0.1	-	0.3	-
TELEKOM ALBANIA	-	-	-	115.9
OTE RURAL NORTH	6.2	-	6.2	-
OTE RURAL SOUTH	8.5	-	8.5	-
TOTAL	**14.8**	**1,343.5**	**15.0**	**1,438.1**

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 37.3 (December 31, 2018: OTE PLC Euro 17.5 and TELEKOM ALBANIA Euro 0.9).

Key Management Personnel and those closely related to them are defined as related parties 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 4.7 for the first half of 2019 (first half of 2018: Euro 4.6).

F.SIGNIFICANT EVENTS AFTER THE END OF THE 1st HALF OF 2019

The most significant events after June 30, 2019, are as follows:

OTE

Share Buyback Program

Until August 5, 2019, within the framework of the Share Repurchase Program approved by the General Meeting of Shareholders on February 15, 2018, OTE had acquired 5.412.000 own shares for a total value of Euro 64.0.

COSMOTE

Payment of principal installment under the Euro 150.0 syndicated facility arranged by the European Bank for Reconstruction and Development (EBRD)

On July 12, 2019, COSMOTE paid principal installment of Euro 23.0 under the syndicated facility with EBRD, along with the accrued interest.

Payment of principal installment under the Euro 150.0 term loan facility with European Investment Bank (EIB)

On July 23, 2019, COSMOTE paid principal installment of Euro 11.5 under the term loan facility with EIB, along with the accrued interest.

G. 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, Alternative Performance Measures ("APMs") are used such as: EBITDA and the respective margin %, Net Debt, CapEx and Free Cash Flow. The definitions and the calculations of these are presented in this section below.

Furthermore "Adjusted" measures are used such as: Adjusted EBITDA and the respective margin %, Adjusted Net Debt, Adjusted CapEx, and Adjusted Free Cash Flow. These are calculated by deducting from the performance measures deriving from directly reconcilable amounts of the six months' 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 "payment 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 Group's income statement, while the payment of these expenses is 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. Following the adoption of IFRS 16 financial liabilities related to leases are included in the calculation of Net Debt from 2019 onwards.

Adjusted Net Debt
Adjusted Net Debt 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:

GROUP	30/06/2019	31/12/2018	+/- %
Long-term borrowings	1,247.0	1,280.6	-2.6%
Short-term portion of long-term borrowings	484.0	548.0	-11.7%
Short-term borrowings	-	-	-
Lease liabilities (long-term portion)	341.8	-	-
Lease liabilities (short-term portion)	69.0	-	-
Cash and cash equivalents	(1,123.5)	(1,084.7)	+3.6%
Net Debt	**1,018.3**	**743.9**	**+36.9%**
Other financial assets	(5.9)	(5.1)	+15.7%
Adjusted Net Debt	**1,012.4**	**738.8**	**+37.0%**

Net Debt & Adjusted Net Debt before IFRS 16

Net Debt and Adjusted Net Debt before IFRS 16 are used by management to evaluate the Group's capital structure and leverage excluding financial liabilities related to leases, for comparability purposes with prior years and other telecommunication sector companies. They are defined as Net debt and adjusted Net Debt (described above) deducting financial liabilities related to leases as described below:

GROUP	30/06/2019	31/12/2018	+/- %
Net Debt	**1,018.3**	**743.9**	**+36.9%**
Lease liabilities (long-term portion)	(341.8)	-	-
Lease liabilities (short-term portion)	(69.0)	-	-
Net Debt before IFRS 16	**607.5**	**743.9**	**-18.3%**
Other financial assets	(5.9)	(5.1)	+15.7%
Adjusted Net Debt before IFRS 16	**601.6**	**738.8**	**-18.6%**

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 (Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations)

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.

Adjusted EBITDA before IFRS 16 is used by the management in order to facilitate comparability with prior year's figures. It is defined as deducting from Adjusted EBITDA the expense adjustments related to leases. Adjusted EBITDA before IFRS 16 margin (%) is defined as Adjusted EBITDA before IFRS 16 divided by total revenues.

GROUP	1st Half 2019	1st Half 2018	+/- %
Total Revenues	1,855.5	1,850.3	+0.3%
Other Operating Income	17.4	27.4	-36.5%
Total operating expenses before depreciation, amortization and impairment	(1,247.5)	(1,285.3)	-2.9%
EBITDA	**625.4**	**592.4**	**+5.6%**
margin %	***33.7%***	***32.0%***	***+1.7pp***
Costs related to voluntary leave schemes	54.5	37.1	+46.9%
Other restructuring and non-recurring litigations	-	0.3	-100.0%
Adjusted EBITDA	**679.9**	**629.8**	**+8.0%**
margin %	***36.6%***	***34.0%***	***+2.6pp***
Expense adjustments related to leases	(47.4)	-	-
Adjusted EBITDA before IFRS 16	**632.5**	**629.8**	**+0.4%**
margin %	***34.1%***	***34.0%***	***+0.1pp***

EBITDA (AL) (Earnings before Interest, Taxes, Depreciation and Amortization after Lease)

EBITDA (AL) is intended to provide useful information to analyze the Group's operating performance. EBITDA (AL) is defined as EBITDA deducting the depreciation and interest expense of leases, as illustrated in the table below. EBITDA (AL) margin (%) is defined as EBITDA (AL) divided by total revenues.

Adjusted EBITDA (AL) (Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations after Lease)

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

GROUP	1st Half 2019
EBITDA	**625.4**
margin %	***33.7%***
Depreciation of right-of-used asset	(41.6)
Interest expense of leases	(11.2)
EBITDA (AL) (after lease)	**572.6**
margin %	***30.9%***
Costs related to voluntary leave schemes	54.5
Other restructuring costs and non-recurring litigations	-
Adjusted EBITDA (AL) (after lease)	**627.1**
margin %	***33.8%***

Adjusted Profit to owners of the parent

Adjusted Profit for the period 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 period (attributable to owners of the parent) is calculated by adding back to the Profit of the period (attributable to owners of the parent) the impact upon it of the following items: costs related to voluntary leave schemes, net impact from impairments and write offs, reassessment of deferred tax, financial expenses for bond issue and bond buyback premium, reversal of provision related to assets sales, other restructuring costs, non-recurring litigation expenses, gains from disposal of subsidiaries, effect of changes to tax rate and tax effect from deductible investment losses and intercompany dividends, as illustrated in the table below:

GROUP (After Tax impact)	1st Half 2019	1st Half 2018	+/- %
Profit to owners of the parent from continuing operations (reported)	**99.5**	**114.5**	**-13.1%**
Costs related to voluntary leave schemes	39.0	26.3	+48.3%
Other restructuring & non-recurring litigations	-	0.3	-100.0%
Net Impact from Impairments & Write offs	59.8	11.4	-
Tax effect from deductible investment losses/ Intercompany Dividends	(18.1)	(31.8)	-43.1%
Gain from disposal of subsidiary	(2.9)	-	-
Reversal of provision related to assets sales	(15.9)	-	-
Adjusted Profit to owners of the parent	**161.4**	**120.7**	**+33.7%**

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 from Capital expenditure, spectrum payments as illustrated in the table below:

GROUP	1st Half 2019	1st Half 2018	+/- %
Purchase of property plant and equipment and intangible assets (reported) - CAPEX	(354.2)	(345.9)	+2.4%
Spectrum Payments	-	13.5	-100.0%
Adjusted CAPEX	**(354.2)**	**(332.4)**	**+6.6%**

Free Cash Flow

Free Cash Flow is an APM used by the Group and defined as cash generated by operating activities, excluding net cash flows from operating activities of discontinued operations, after payments for purchase of property plant and equipment and intangible assets (CAPEX) and adding the interest received. 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 accounts in understanding the Group's cash generating performance as well as availability for debt repayment, dividend distribution and own reserves.

Free Cash Flow before IFRS 16 is used by management in order to facilitate comparability with prior year's figures and it is defined as Free Cash Flow adding the Lease repayments.

GROUP	1st Half 2019	1st Half 2018	+/- %
Net cash flows from operating activities -Total	543.5	425.6	+27.7%
Minus: Net cash flows from operating activities of discontinued operations	(5.3)	(0.4)	-
Interest received	1.1	0.9	+22.2%
Purchase of property, plant, equipment & intangible assets	(354.2)	(345.9)	+2.4%
Free Cash Flow	**195.7**	**81.0**	**+141.6%**
Lease repayments	(37.8)	-	-
Free Cash Flow before IFRS 16	**157.9**	**81.0**	**+94.9%**

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.

Adjusted Free Cash Flow before IFRS 16 is defined as Adjusted Free Cash Flow adding the Lease repayments.

GROUP	1st Half 2019	1st Half 2018	+/- %
Free Cash Flow	**195.7**	**81.0**	**+141.6%**
Payment for voluntary leave schemes	50.0	6.2	-
Payment for restructuring and non-recurring litigations	0.4	4.5	-91.1%
Spectrum payments	-	13.5	-100.0%
Adjusted Free Cash Flow	**246.1**	**105.2**	**+133.9%**
Lease repayments	(37.8)	-	-
Adjusted Free Cash Flow before IFRS 16	**208.3**	**105.2**	**+98.0%**

Maroussi, August 07, 2019

Michael Tsamaz
Chairman and Managing Director

Charalampos Mazarakis
Board Member

III. AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Board of directors of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.(the "Company"), as of 30 June 2019 and the related condensed company and consolidated statements of profit or loss and other comprehensive income , changes in equity and cash flow statements for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as they have been transposed into Greek Law 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the six-month Board of Directors Report, as defined in articles 5 and 5a of Law 3556/2007, in relation to the accompanying condensed interim financial information

Athens, 7 August 2019

The Certified Auditor Accountant

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

Fotis Smirnis
SOEL Reg. No 52861

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, 2019

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 30-64, were approved by the Board of Directors on August 7, 2019 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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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF JUNE 30, 2019 AND FOR THE SIX MONTH PERIOD THEN ENDED

INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

		GROUP		COMPANY	
(Amounts in millions of Euro)	Notes	30/06/2019	31/12/2018[1]	30/06/2019	31/12/2018[1]
ASSETS					
Non-current assets					
Property, plant and equipment		2,636.1	2,741.1	1,275.4	1,296.4
Right-of-use assets	4	437.6	-	281.4	-
Goodwill	5	376.6	446.9	-	-
Telecommunication licenses		422.1	448.5	3.2	3.6
Other intangible assets		413.7	432.2	228.4	224.5
Investments	6	0.1	0.1	3,499.3	3,245.2
Loans to pension funds		77.5	79.2	77.5	79.2
Deferred tax assets		251.9	254.8	84.7	88.3
Contract costs	14	47.6	50.2	4.2	4.0
Other non-current assets		81.5	115.8	62.4	77.0
Total non-current assets		**4,744.7**	**4,568.8**	**5,516.5**	**5,018.2**
Current assets					
Inventories		70.8	82.0	9.5	11.5
Trade receivables		639.6	606.0	305.4	294.5
Other financial assets		5.9	5.1	5.7	2.3
Contract assets	14	32.0	36.4	1.6	1.9
Other current assets		242.4	245.5	104.9	214.9
Restricted cash		2.9	2.9	-	-
Cash and cash equivalents		1,123.5	1,084.7	520.1	292.9
Total current assets		**2,117.1**	**2,062.6**	**947.2**	**818.0**
Assets of disposal group classified as held for sale		-	68.5	-	-
TOTAL ASSETS		**6,861.8**	**6,699.9**	**6,463.7**	**5,836.2**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	7	1,358.2	1,387.1	1,358.2	1,387.1
Share premium	7	486.6	496.7	486.6	496.7
Treasury shares	7	(46.6)	(108.5)	(46.6)	(108.5)
Statutory reserve		383.3	383.3	383.3	383.3
Foreign exchange and other reserves		(178.8)	(122.8)	(20.2)	(13.0)
Changes in non-controlling interests		(3,314.1)	(3,314.1)	-	-
Retained earnings		3,335.5	3,611.5	995.0	743.3
Total equity attributable to owners of the Parent		**2,024.1**	**2,333.2**	**3,156.3**	**2,888.9**
Non-controlling interests	6	276.5	241.5	-	-
Total equity		**2,300.6**	**2,574.7**	**3,156.3**	**2,888.9**
Non-current liabilities					
Long-term borrowings	9	1,247.0	1,280.6	1,095.9	1,270.4
Provision for staff retirement indemnities		186.6	186.9	153.5	154.5
Provision for youth account		118.2	120.9	118.2	120.9
Contract liabilities	14	41.4	50.8	54.0	110.9
Lease liabilities	4	341.8	-	238.6	-
Deferred tax liabilities		21.3	23.7	-	-
Other non-current liabilities		82.3	87.8	110.3	66.3
Total non-current liabilities		**2,038.6**	**1,750.7**	**1,770.5**	**1,723.0**
Current liabilities					
Trade accounts payable		876.1	1,034.0	394.8	425.3
Short-term portion of long-term borrowings	9	484.0	548.0	275.0	278.6
Income tax payable	11	64.9	25.5	47.4	13.1
Contract liabilities	14	125.2	122.0	72.0	73.4
Lease liabilities	4	69.0	-	39.0	-
Provision for voluntary leave schemes		150.7	141.1	150.7	141.1
Dividends payable	8	250.4	0.9	250.4	0.8
Other current liabilities		502.3	464.3	307.6	292.0
Total current liabilities		**2,522.6**	**2,335.8**	**1,536.9**	**1,224.3**
Liabilities of disposal group classified as held for sale		-	38.7	-	-
TOTAL EQUITY AND LIABILITIES		**6,861.8**	**6,699.9**	**6,463.7**	**5,836.2**

[1]The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

The accompanying notes on pages 37-64 form an integral part of these financial statements.

INTERIM INCOME STATEMENT (CONSOLIDATED)

(Amounts in millions of Euro except per share data)	Notes	1st Half 2019	1st Half 2018[1]
Revenue			
Fixed business:			
Retail services revenues		581.8	580.3
Wholesale services revenues		340.5	320.0
Other revenues		141.4	144.7
Total revenues from fixed business		**1,063.7**	**1,045.0**
Mobile business:			
Service revenues		608.4	610.5
Handset revenues		111.3	122.5
Other revenues		11.8	16.9
Total revenues from mobile business		**731.5**	**749.9**
Miscellaneous other revenues		**60.3**	**55.4**
Total revenues		**1,855.5**	**1,850.3**
Other operating income	12	**17.4**	**27.4**
Operating expenses			
Interconnection and roaming costs		(277.4)	(261.6)
Provision for doubtful accounts		(48.9)	(61.5)
Personnel costs		(298.2)	(284.5)
Costs related to voluntary leave schemes	10	(54.5)	(37.1)
Commission costs		(44.1)	(46.0)
Merchandise costs		(156.0)	(171.6)
Maintenance and repairs		(44.0)	(52.2)
Marketing		(37.3)	(44.6)
Other operating expenses, out of which:		(287.1)	(326.2)
Rental, leasing and facility costs		*(68.7)*	*(109.9)*
Third party fees and services		*(87.2)*	*(86.5)*
Other taxes and regulatory charges		*(34.5)*	*(34.2)*
Construction cost network		*(0.3)*	*(0.1)*
Other sundry operating expenses		*(96.4)*	*(95.5)*
Total operating expenses before depreciation, amortization and impairment		**(1,247.5)**	**(1,285.3)**
Operating profit before financial and investing activities, depreciation, amortization and impairment		**625.4**	**592.4**
Depreciation, amortization and impairment	5	(472.5)	(384.0)
Operating profit before financial and investing activities		**152.9**	**208.4**
Income and expense from financial and investing activities			
Interest and related expenses		(50.2)	(43.0)
Interest income		2.3	0.9
Foreign exchange differences, net		13.6	(1.8)
Gains / (losses) from investments and other financial assets - Impairment	6	25.8	(0.1)
Total loss from financial and investing activities		**(8.5)**	**(44.0)**
Profit before tax		**144.4**	**164.4**
Income tax	11	**(63.9)**	**(61.5)**
Profit for the period from continuing operations		**80.5**	**102.9**
Profit / (loss) from discontinued operations		**5.3**	**(26.5)**
Profit for the period		**85.8**	**76.4**
Attributable to:			
Owners of the parent		104.8	88.0
Non-controlling interests		(19.0)	(11.6)
Profit for the period		**85.8**	**76.4**
Earnings per share attributable to owners of the parent from continuing operations			
Basic earnings per share	13	0.2080	0.2345
Diluted earnings per share	13	0.2080	0.2345
Total basic earnings per share attributable to owners of the parent	13	0.2191	0.1803

[1]The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

The accompanying notes on pages 37-64 form an integral part of these financial statements.

INTERIM INCOME STATEMENT (SEPARATE)

(Amounts in millions of Euro)	Notes	1st Half 2019	1st Half 2018[1]
Revenue			
Fixed business:			
Retail services revenues		464.8	452.6
Wholesale services revenues		159.4	162.6
Other revenues		105.1	105.9
Total revenues from fixed business		**729.3**	**721.1**
Mobile business:			
Handset revenues		16.0	15.7
Total revenues from mobile business		**16.0**	**15.7**
Miscellaneous other revenues		**36.7**	**38.9**
Total revenues		**782.0**	**775.7**
Other operating income	12	**4.2**	**4.4**
Operating expenses			
Interconnection and roaming costs		(44.5)	(46.5)
Provision for doubtful accounts		(15.5)	(14.2)
Personnel costs		(133.2)	(120.8)
Costs related to voluntary leave schemes	10	(49.4)	(33.1)
Commission costs		(10.8)	(10.0)
Merchandise costs		(32.3)	(32.0)
Maintenance and repairs		(16.9)	(19.9)
Marketing		(9.7)	(10.6)
Other operating expenses, out of which:		(153.3)	(175.1)
Rental, leasing and facility costs		*(26.5)*	*(51.8)*
Third party fees and services		*(77.4)*	*(72.8)*
Other taxes and regulatory charges		*(10.6)*	*(10.2)*
Other sundry operating expenses		*(38.8)*	*(40.3)*
Total operating expenses before depreciation, amortization and impairment		**(465.6)**	**(462.2)**
Operating profit before financial and investing activities, depreciation, amortization and impairment		**320.6**	**317.9**
Depreciation, amortization and impairment		(177.6)	(154.3)
Operating profit before financial and investing activities		**143.0**	**163.6**
Income and expense from financial and investing activities			
Interest and related expenses		(40.4)	(32.0)
Interest income		3.2	1.3
Foreign exchange differences, net		0.6	0.4
Dividend income	16	1,050.6	30.0
Gains / (losses) from investments and other financial assets - Impairment	6	(545.6)	(0.1)
Total profit / (loss) from financial and investing activities		**468.4**	**(0.4)**
Profit before tax		**611.4**	**163.2**
Income tax	11	(40.6)	(51.7)
Profit for the period		**570.8**	**111.5**

[1]The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

	1st Half	
(Amounts in millions of Euro)	2019	2018[1]
Profit for the period	**85.8**	**76.4**
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains / (losses)	(9.8)	(1.9)
Deferred taxes on actuarial gains / (losses)	2.5	0.5
Total items that will not be reclassified subsequently to profit or loss	**(7.3)**	**(1.4)**
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	(29.4)	27.6
Total items that may be reclassified subsequently to profit or loss	**(29.4)**	**27.6**
Reclassification of foreign currency translation reserve related to discontinued operations (see Note 6)	(22.9)	-
Other comprehensive income / (loss) for the period	**(59.6)**	**26.2**
Total comprehensive income for the period	**26.2**	**102.6**
Attributable to:		
Owners of the parent	48.8	115.0
Non-controlling interests	(22.6)	(12.4)
	26.2	**102.6**
Total comprehensive income attributable to owners of the parent arises from:		
Continuing operations	46.4	114.0
Discontinued operations	2.4	1.0
	48.8	**115.0**

INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

	1st Half	
(Amounts in millions of Euro)	2019	2018[1]
Profit for the period	**570.8**	**111.5**
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains / (losses)	(9.7)	(1.9)
Deferred taxes on actuarial gains / (losses)	2.5	0.5
Total items that will not be reclassified subsequently to profit or loss	**(7.2)**	**(1.4)**
Other comprehensive income / (loss) for the period	**(7.2)**	**(1.4)**
Total comprehensive income for the period	**563.6**	**110.1**

[1]The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

The accompanying notes on pages 37-64 form an integral part of these financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

	Attributed to equity holders 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, 2018[1]	**1,387.1**	**496.4**	**(14.5)**	**373.5**	**(157.1)**	**(3,314.1)**	**3,573.1**	**2,344.4**	**245.0**	**2,589.4**
Impact of implementation of IFRS 15 and IFRS 9	**-**	**-**	**-**	**-**	**(1.2)**	**-**	**44.7**	**43.5**	**7.5**	**51.0**
Profit / (loss) for the period	-	-	-	-	-	-	88.0	**88.0**	(11.6)	**76.4**
Other comprehensive income / (loss)	-	-	-	-	27.0	-	-	**27.0**	(0.8)	**26.2**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**27.0**	**-**	**88.0**	**115.0**	**(12.4)**	**102.6**
Dividend distribution	-	-	-	-	-	-	(171.5)	**(171.5)**	(0.1)	**(171.6)**
Acquisition of treasury shares	-	-	(30.8)	-	-	-	-	**(30.8)**	-	**(30.8)**
Share option plans	-	-	0.2	-	-	-	-	**0.2**	-	**0.2**
Balance as at June 30, 2018[1]	**1,387.1**	**496.4**	**(45.1)**	**373.5**	**(131.3)**	**(3,314.1)**	**3,534.3**	**2,300.8**	**240.0**	**2,540.8**
Balance as at January 1, 2019[1]	**1,387.1**	**496.7**	**(108.5)**	**383.3**	**(122.8)**	**(3,314.1)**	**3,611.5**	**2,333.2**	**241.5**	**2,574.7**
Impact of implementation of IFRS 16	**-**	**-**	**-**	**-**	**-**	**-**	**(3.3)**	**(3.3)**	**-**	**(3.3)**
Profit / (loss) for the period	-	-	-	-	-	-	104.8	**104.8**	(19.0)	**85.8**
Other comprehensive income / (loss)	-	-	-	-	(56.0)	-	-	**(56.0)**	(3.6)	**(59.6)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**(56.0)**	**-**	**104.8**	**48.8**	**(22.6)**	**26.2**
Cancellation of treasury shares (see Note 7)	(28.9)	(10.4)	108.5	-	-	-	(69.2)	**-**	-	**-**
Subsidiary's share capital increase (see Note 6)	-	-	-	-	-	-	(58.6)	**(58.6)**	58.6	**-**
Net change of participation in subsidiaries (see Note 6)	-	-	-	-	-	-	(0.1)	**(0.1)**	(0.6)	**(0.7)**
Dividend distribution (see Note 8)	-	-	-	-	-	-	(249.6)	**(249.6)**	(0.4)	**(250.0)**
Acquisition of treasury shares (see Note 7)	-	-	(46.6)	-	-	-	-	**(46.6)**	-	**(46.6)**
Share option plans	-	0.3	-	-	-	-	-	**0.3**	-	**0.3**
Balance as at June 30, 2019	**1,358.2**	**486.6**	**(46.6)**	**383.3**	**(178.8)**	**(3,314.1)**	**3,335.5**	**2,024.1**	**276.5**	**2,300.6**

[1]The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

The accompanying notes on pages 37-64 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, 2018[1]	1,387.1	496.4	(14.5)	373.5	(11.4)	727.1	2,958.2
Impact of implementation of IFRS 15 and IFRS 9	-	-	-	-	(0.4)	1.2	0.8
Profit for the period	-	-	-	-	-	111.5	111.5
Other comprehensive income / (loss)	-	-	-	-	(1.4)	-	(1.4)
Total comprehensive income / (loss)	-	-	-	-	(1.4)	111.5	110.1
Dividend distribution	-	-	-	-	-	(171.5)	(171.5)
Acquisition of treasury shares	-	-	(30.8)	-	-	-	(30.8)
Share option plans	-	-	0.2	-	-	-	0.2
Balance as at June 30, 2018[1]	1,387.1	496.4	(45.1)	373.5	(13.2)	668.3	2,867.0
Balance as at January 1, 2019[1]	1,387.1	496.7	(108.5)	383.3	(13.0)	743.3	2,888.9
Impact of implementation of IFRS 16	-	-	-	-	-	(0.3)	(0.3)
Profit for the period	-	-	-	-	-	570.8	570.8
Other comprehensive income	-	-	-	-	(7.2)	-	(7.2)
Total comprehensive income	-	-	-	-	(7.2)	570.8	563.6
Cancellation of treasury shares (see Note 7)	(28.9)	(10.4)	108.5	-	-	(69.2)	-
Dividend distribution (see Note 8)	-	-	-	-	-	(249.6)	(249.6)
Acquisition of treasury shares (see Note 7)	-	-	(46.6)	-	-	-	(46.6)
Share option plans	-	0.3	-	-	-	-	0.3
Balance as at June 30, 2019	1,358.2	486.6	(46.6)	383.3	(20.2)	995.0	3,156.3

[1]The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.
The accompanying notes on pages 37-64 form an integral part of these financial statements.

INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP 01/01-30/06/2019	GROUP 01/01-30/06/2018[1]	COMPANY 01/01-30/06/2019	COMPANY 01/01-30/06/2018[1]
Cash flows from operating activities					
Profit before tax		144.4	164.4	611.4	163.2
Adjustments for:					
Depreciation, amortization and impairment		472.5	384.0	177.6	154.3
Costs related to voluntary leave schemes	10	54.5	37.1	49.4	33.1
Provision for staff retirement indemnities		2.7	(29.5)	1.9	(30.4)
Provision for youth account		1.3	1.3	1.3	1.3
Foreign exchange differences, net		(13.6)	1.8	(0.6)	(0.4)
Interest income		(2.3)	(0.9)	(3.2)	(1.3)
Dividend income		-	-	(1,050.6)	(30.0)
(Gains) / losses from investments and other financial assets - Impairment		(25.8)	0.1	545.6	0.1
Interest and related expenses		50.2	43.0	40.4	32.0
Working capital adjustments:					
Decrease / (increase) in inventories		10.5	(9.9)	2.0	0.2
Decrease / (increase) in receivables		(6.5)	(59.0)	(13.6)	4.6
(Decrease) / increase in liabilities (except borrowings)		(30.4)	(46.7)	(13.7)	6.2
Plus /(Minus):					
Payment for voluntary leave schemes	10	(50.0)	(6.2)	(42.4)	(5.8)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(5.6)	(5.8)	(5.5)	(5.6)
Interest and related expenses paid (except leases)		(10.4)	(34.3)	(10.1)	(21.9)
Interest paid for leases		(11.2)	-	(7.9)	-
Income tax paid		(31.5)	(13.4)	(0.5)	(0.3)
Net cash flows from operating activities of discontinued operations		(5.3)	(0.4)	-	-
Net cash flows from operating activities		**543.5**	**425.6**	**281.5**	**299.3**
Cash flows from investing activities					
Return of capital invested in subsidiary	16	-	-	120.6	61.5
Acquisition of subsidiaries	6	(0.7)	-	(800.0)	-
Loans granted to subsidiary	6	-	-	(270.0)	-
Repayment of loans granted to subsidiary	6	-	-	270.0	6.2
Repayment of loans receivable		3.6	3.6	3.6	3.6
Purchase of property, plant and equipment and intangible assets		(354.2)	(345.9)	(184.3)	(158.5)
Proceeds from disposal of subsidiaries / investments	6	31.2	-	-	-
Movement in restricted cash		-	(0.3)	-	-
Interest received		1.1	0.9	3.2	1.3
Dividends received		-	-	1,050.0	101.0
Net cash flows from investing activities of discontinued operations		(6.6)	(6.3)	-	-
Net cash flows from/ (used in) investing activities		**(325.6)**	**(348.0)**	**193.1**	**15.1**
Cash flows from financing activities					
Acquisition of treasury shares	7	(46.3)	(29.8)	(46.3)	(29.8)
Proceeds from loans granted and issued	9	202.9	150.0	200.0	525.0
Repayment of loans	9	(302.8)	(678.0)	(379.8)	(538.8)
Lease repayments		(37.8)	-	(21.3)	-
Dividends paid to Company's owners		(0.1)	(0.1)	-	(0.1)
Net cash from financing activities from discontinued operations		(1.3)	-	-	-
Net cash flows used in financing activities		**(185.4)**	**(557.9)**	**(247.4)**	**(43.7)**
Net increase / (decrease) in cash and cash equivalents		**32.5**	**(480.3)**	**227.2**	**270.7**
Cash and cash equivalents, at the beginning of the period		**1,084.7**	**1,297.7**	**292.9**	**185.6**
Cash and cash equivalents of disposal group classified as held for sale, beginning of period		7.5	-	-	-
Net foreign exchange differences		(1.2)	(0.3)	-	-
Cash and cash equivalents, at the end of the period		**1,123.5**	**817.1**	**520.1**	**456.3**

[1]The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 4.

The accompanying notes on pages 37-64 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, 2019 holds a 45.96% interest in OTE (see Note 7).

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, 2019 and for the six month period then ended, were approved for issuance by the Board of Directors on August 7, 2019.

The total numbers of Group and Company employees as of June 30, 2019 and 2018 and as of December 31, 2018 were as follows:

	GROUP	COMPANY
June 30, 2019	18,565	7,900
December 31, 2018	19,343	8,203
June 30, 2018	20,410	8,488

Group number of employees as of December 31, 2018 and as of June 30, 2018 includes 351 and 363 employees of TELEKOM ALBANIA, respectively.

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	
			30/06/2019	31/12/2018
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%
OTESAT-MARITEL S.A. ("OTESAT-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%
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	
			30/06/2019	31/12/2018
TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A. ("TELEKOM ROMANIA MOBILE")	Mobile telecommunications services	Romania	86.20%	86.20%
TELEKOM ALBANIA (see below)	Mobile telecommunications services	Albania	-	99.76%
GERMANOS S.A. ("GERMANOS")	Retail services	Greece	100.00%	100.00%
COSMOTE E-VALUE	Marketing services	Greece	100.00%	100.00%
MOBILBEEEP LTD	Retail services	Greece	100.00%	100.00%
COSMOTE TV PRODUCTIONS	TV productions and services	Greece	100.00%	100.00%
E-VALUE DEBTORS AWARENESS ONE PERSON LTD ("E-VALUE LTD")	Overdue accounts management	Greece	100.00%	100.00%
COSMOHOLDING INTERNATIONAL B.V.	Investment holding 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%
COSMOTE PAYMENTS - ELECTRONIC MONEY SERVICES S.A. ("COSMOTE PAYMENTS")	Electronic money services	Greece	100.00%	100.00%
COSMOTE GLOBAL SOLUTIONS S.A.	ICT services	Belgium	100.00%	100.00%

AGREEMENT FOR THE SALE OF TELEKOM ALBANIA

On January 16, 2019, the Group announced the signing of an agreement to sell its entire stake in TELEKOM ALBANIA to the bulgarian company, Albania Telecom Invest AD. The transaction was completed on May 07, 2019 after the approval by the competent authorities. The agreed consideration for the sale amounted to Euro 50.1 (see Note 6).

2. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with International Accounting Standard (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, 2018, 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, 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, 2018, except for those related to the adoption of the new IFRSs effective as of January 1, 2019 (see Note 4).

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, 2018 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following new and amended IFRSs and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2019, 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, 2019.

Standards and Interpretations effective for the current financial year

- **IFRS 16 "Leases":** IFRS 16 has been issued in January 2016 and supersedes IAS 17. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases. 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 effect from applying the standard to the Group and the Company is described in Note 4.

- **IFRS 9 (Amendments) "Prepayment Features with Negative Compensation":** These amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met, instead of at fair value through profit or loss.

- **IAS 28 (Amendments) "Long term interests in associates and joint ventures":** These amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

- **IFRIC 23 "Uncertainty over income tax treatments":** 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.

- **IAS 19 (Amendments) "Plan amendment, curtailment or settlement":** These amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

Annual Improvements to IFRSs 2015 (2015 – 2017 Cycle)

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

- **IFRS 3 "Business combinations"**: The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

- **IFRS 11 "Joint arrangements"**: The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- **IAS 12 "Income taxes"**: The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

- **IAS 23 "Borrowing costs"**: The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

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 and separate financial statements. The Group is currently investigating the impact of the new standards and amendments on its financial statements.

- **IFRS 3 (Amendments) "Definition of a business"**(effective for annual periods beginning on or after 1 January 2020): The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

- IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020): The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

4. CHANGES IN ACCOUNTING POLICIES

The Group applies, for the first time, IFRS 16 "Leases", which replaces IAS 17 and sets out the recognition, measurement, presentation and disclosure of leases. This standard is mandatory for reporting periods beginning on or after January 1, 2019. IFRS 16 has a material effect on the Group's and the Company's financial statements, particularly on total assets and liabilities, the results of operations, net cash flows from operating activities, net cash flows used in financing activities, and the presentation of the financial position.

The new regulations affect the Group and the Company as a lessee especially in relation to leases of network sites (land, space in cell towers or rooftop surface areas), network infrastructure, vehicles, retail shops and buildings used for administrative or technical purposes.

The Group has not applied the new lease standard retrospectively in full, but has applied IFRS 16 using the modified retrospective method. Under this method, prior year comparatives have not been restated. Upon transition to IFRS 16, payment obligations from existing operating leases are discounted using the relevant incremental borrowing rate and recognized as a lease liability. The right-of-use assets were carried as of January 1, 2019 in the amount of the lease liability, adjusted by the amount of the prepaid or accrued lease payments.

Significant policy elections and practical expedients are exercised as follows:

- The right-of-use assets and lease liabilities are presented separately in the statement of financial position.
- The recognition, measurement and disclosure requirements of IFRS 16 also apply to short-term leases and leases of low-value assets.
- The Group elected not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease items as a single lease component.

In addition, on the date of first-time adoption of IFRS 16, the Group and the Company made use of the main policy elections and practical expedients, as follows:

- In determining the lease term, hindsight has been used where economic considerations and penalties indicate that it is reasonably certain that options to extend or terminate the lease will be exercised.
- The Group elected to apply the new lease definition not only to contracts entered into (or changed) on or after January 1, 2019, but it was applied to all existing contracts at the date of initial application.

According to the new IFRS 16 requirements for subleases, the Group (as intermediate lessor) has classified several subleases as finance leases as from January 1, 2019. For those subleases, the right-of-use assets related to the head lease have been derecognized and a lease receivable has been recognized. The difference between the carrying value of the right-of use assets and the lease receivable has been recognized in retained earnings at the transition date, i.e. January 1, 2019.

The new definition of a lease does not have a material impact for the Group and the Company as a lessor. However, the number of identified leases changes. The leasing of copper and fiber infrastructure dedicated to wholesale customers as well as the provision of colocation spaces are classified as a lease. In addition, the provision of data center services, the leasing of space (e.g. separate rooms for the installation of the customer's own hardware), are also identified as leasing agreements.

The transition to the new standard as of January 1, 2019 resulted in a cumulative negative effect in the Group's retained earnings of Euro (3.3). The adjustment to retained earnings mainly includes the effect of the sublease arrangements which under the new lease standard have been reclassified from operating leases to finance leases as well as deferred tax asset effect. For the Company the cumulative negative impact in retained earnings of an amount of Euro (0.3) results from the deferred tax asset effect.

The following tables summarize the impact of adopting IFRS 16 on the Group's and Company's statements of financial position as at January 1, 2019, for each of the line items affected.

STATEMENT OF FINANCIAL POSITION	GROUP			
	Carrying amount IAS 17	IFRS 16 Adjustments	IFRS 16 Reclassifications	Carrying amount IFRS 16
	31/12/2018			01/01/2019
ASSETS				
Non-current assets				
Property, plant and equipment	2,741.1	-	(10.8)	2,730.3
Right-of-use assets	-	406.9	53.1	460.0
Goodwill	446.9	-	-	446.9
Telecommunication licenses	448.5	-	-	448.5
Other intangible assets	432.2	-	-	432.2
Investments	0.1	-	-	0.1
Loans to pension funds	79.2	-	-	79.2
Deferred tax assets	254.8	0.6	-	255.4
Contract costs	50.2	-	-	50.2
Other non-current assets	115.8	15.5	(32.1)	99.2
Total non-current assets	**4,568.8**	**423.0**	**10.2**	**5,002.0**
Current assets				
Inventories	82.0	-	-	82.0
Trade receivables	606.0	-	-	606.0
Other financial assets	5.1	-	-	5.1
Contract assets	36.4	-	-	36.4
Other current assets	245.5	3.4	(13.8)	235.1
Restricted cash	2.9	-	-	2.9
Cash and cash equivalents	1,084.7	-	-	1,084.7
Total current assets	**2,062.6**	**3.4**	**(13.8)**	**2,052.2**
Assets of disposal group classified as held for sale	68.5	8.8	-	77.3
TOTAL ASSETS	**6,699.9**	**435.2**	**(3.6)**	**7,131.5**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Parent				
Share capital	1,387.1	-	-	1,387.1
Share premium	496.7	-	-	496.7
Treasury shares	(108.5)	-	-	(108.5)
Statutory reserve	383.3	-	-	383.3
Foreign exchange and other reserves	(122.8)	-	-	(122.8)
Changes in non-controlling interests	(3,314.1)	-	-	(3,314.1)
Retained earnings	3,611.5	(3.3)	-	3,608.2
Total equity attributable to owners of the Parent	**2,333.2**	**(3.3)**	**-**	**2,329.9**
Non-controlling interests	241.5	-	-	241.5
Total equity	**2,574.7**	**(3.3)**	**-**	**2,571.4**
Non-current liabilities				
Long-term borrowings	1,280.6	-	-	1,280.6
Provision for staff retirement indemnities	186.9	-	-	186.9
Provision for youth account	120.9	-	-	120.9
Contract liabilities	50.8	-	(6.9)	43.9
Lease liabilities	-	356.5	-	356.5
Deferred tax liabilities	23.7	-	-	23.7
Other non-current liabilities	87.8	-	6.9	94.7
Total non-current liabilities	**1,750.7**	**356.5**	**-**	**2,107.2**
Current liabilities				
Trade accounts payable	1,034.0	-	(3.6)	1,030.4
Short-term portion of long-term borrowings	548.0	-	-	548.0
Income tax payable	25.5	-	-	25.5
Contract liabilities	122.0	-	(0.6)	121.4
Lease liabilities	-	73.2	-	73.2
Provision for voluntary leave schemes	141.1	-	-	141.1
Dividends payable	0.9	-	-	0.9
Other current liabilities	464.3	-	0.6	464.9
Total current liabilities	**2,335.8**	**73.2**	**(3.6)**	**2,405.4**
Liabilities of disposal group classified as held for sale	38.7	8.8	-	47.5
TOTAL EQUITY AND LIABILITIES	**6,699.9**	**435.2**	**(3.6)**	**7,131.5**

STATEMENT OF FINANCIAL POSITION	COMPANY			
	Carrying amount IAS 17 31/12/2018	IFRS 16 Adjustments	IFRS 16 Reclassifications	Carrying amount IFRS 16 01/01/2019
ASSETS				
Non-current assets				
Property, plant and equipment	1,296.4	-	(1.6)	1,294.8
Right-of-use assets	-	296.0	6.0	302.0
Telecommunication licenses	3.6	-	-	3.6
Other intangible assets	224.5	-	-	224.5
Investments	3,245.2	-	-	3,245.2
Loans to pension funds	79.2	-	-	79.2
Deferred tax assets	88.3	(0.3)	-	88.0
Contract costs	4.0	-	-	4.0
Other non-current assets	77.0	-	(3.6)	73.4
Total non-current assets	**5,018.2**	**295.7**	**0.8**	**5,314.7**
Current assets				
Inventories	11.5	-	-	11.5
Trade receivables	294.5	-	-	294.5
Other financial assets	2.3	-	-	2.3
Contract assets	1.9	-	-	1.9
Other current assets	214.9	-	(0.8)	214.1
Cash and cash equivalents	292.9	-	-	292.9
Total current assets	**818.0**	**-**	**(0.8)**	**817.2**
TOTAL ASSETS	**5,836.2**	**295.7**	**-**	**6,131.9**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Parent				
Share capital	1,387.1	-	-	1,387.1
Share premium	496.7	-	-	496.7
Treasury shares	(108.5)	-	-	(108.5)
Statutory reserve	383.3	-	-	383.3
Foreign exchange and other reserves	(13.0)	-	-	(13.0)
Retained earnings	743.3	(0.3)	-	743.0
Total equity attributable to owners of the Parent	**2,888.9**	**(0.3)**	**-**	**2,888.6**
Total equity	**2,888.9**	**(0.3)**	**-**	**2,888.6**
Non-current liabilities				
Long-term borrowings	1,270.4	-	-	1,270.4
Provision for staff retirement indemnities	154.5	-	-	154.5
Provision for youth account	120.9	-	-	120.9
Contract liabilities	110.9	-	(56.7)	54.2
Lease liabilities	-	257.4	-	257.4
Other non-current liabilities	66.3	-	56.7	123.0
Total non-current liabilities	**1,723.0**	**257.4**	**-**	**1,980.4**
Current liabilities				
Trade accounts payable	425.3	-	-	425.3
Short-term portion of long-term borrowings	278.6	-	-	278.6
Income tax payable	13.1	-	-	13.1
Contract liabilities	73.4	-	(5.0)	68.4
Lease liabilities	-	38.6	-	38.6
Provision for voluntary leave schemes	141.1	-	-	141.1
Dividends payable	0.8	-	-	0.8
Other current liabilities	292.0	-	5.0	297.0
Total current liabilities	**1,224.3**	**38.6**	**-**	**1,262.9**
TOTAL EQUITY AND LIABILITIES	**5,836.2**	**295.7**	**-**	**6,131.9**

The obligations arising from operating leases as of December 31, 2018 (operating lease commitments are disclosed in Note 29 of the Annual Financial Statements as of December 31, 2018) gave rise to the following reconciliation to the opening balance of lease liabilities as of January 1, 2019:

	GROUP	COMPANY
Obligations arising from operating leases as of December 31, 2018	**625.5**	**361.2**
Changes resulting from new definition of leases	(8.7)	1.1
Changes in the assessment of options to extend or terminate the lease	5.0	-
Changes resulting from the practical expedient used not to separate the non-lease components from lease components	5.9	1.3
Gross lease liabilities as of January 1, 2019	**627.7**	**363.6**
Discounting	(198.0)	(67.6)
Lease liabilities as of January 1, 2019	**429.7**	**296.0**

If the discount rate implicit in the lease cannot be readily determined, the discount rate used for the measurement of right-of-use assets and lease liabilities is the Group's incremental borrowing rate of interest. The Group's incremental borrowing rate of interest is determined by using maturity-related risk-free interest rates for a period of up to 36 years, which are increased with the Group's derived credit spread and adjusted with a liquidity risk premium.

As at January 1, 2019, the weighted average discount rate applied for the Company was 5.6% while for the Group it was between 2.1% and 5.9%.

The increase in lease liabilities leads to a corresponding increase in net debt.

The right-of-use assets reported as of June 30, 2019 were as follows:

	30/06/2019	
	GROUP	COMPANY
Right-of-use assets – land and buildings	345.3	255.4
Right-of-use assets – telecom equipment and machinery	65.1	12.0
Right-of-use assets – transportation and other equipment	27.2	14.0
TOTAL	**437.6**	**281.4**

The depreciation of the right-of-use assets for the first half of 2019 are as follows:

	1st Half 2019	
	GROUP	COMPANY
Right-of-use assets – land and buildings	30.5	18.5
Right-of-use assets – telecom equipment and machinery	4.8	1.6
Right-of-use assets – transportation and other equipment	6.3	3.3
TOTAL	**41.6**	**23.4**

The Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 16.9.

The interest on lease liabilities for the first half of 2019 is as follows:

	1st Half 2019	
	GROUP	COMPANY
Interest expense on lease liabilities	11.2	7.9
TOTAL	**11.2**	**7.9**

The Company's interest expense on lease liabilities includes interest expense to related parties amounted to Euro 7.0.

Expect for IFRS 16, certain other amendments and interpretations apply for the first time in 2019 (see Note 3), but do not have an impact on the interim financial statements of the Group and the Company.

5. GOODWILL

Goodwill is analyzed as follows:

GROUP	30/06/2019	31/12/2018
Carrying value at the beginning of the period	**446.9**	**447.1**
Foreign exchange differences	(0.9)	(0.2)
Impairment	(69.4)	-
Carrying value at the end of the period	**376.6**	**446.9**

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

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

Cash generating unit	31/12/2018	Foreign exchange differences	Impairment	30/06/2019
COSMOTE Group – Greece	376.6	-	-	376.6
TELEKOM ROMANIA MOBILE (former COSMOTE Group – Romania)	70.3	(0.9)	(69.4)	-
TOTAL	**446.9**	**(0.9)**	**(69.4)**	**376.6**

TELEKOM ROMANIA MOBILE (former COSMOTE Group – Romania)

On June 30, 2019, an impairment test was carried out in the cash generating unit of TELEKOM ROMANIA MOBILE since there were indications based on its financial and operating performance that its carrying value exceeds the recoverable amount.

The recoverable amount of the above cash generating unit is determined using the value in use method. The value in use is determined based on the projected cash flows derived from four years updated plan approved by management, with these cash flows initially projected over ten years and then to perpetuity.

The basic assumptions used in determining the value in use of the TELEKOM ROMANIA MOBILE are as follows:

Assumptions	30/06/2019	31/12/2018
Discount rate	7.4%	7.7%
Average rate of revenue increase	0.5%	1.2%
Operating profit before financial and investing activities, depreciation, amortization and impairment, margin (2019 – 2028)	12.8% - 24.0%	15.2% - 19.4%

For the projection of cash flows beyond a ten years period, a growth rate of 2% was assumed.

The main assumptions used by management in projecting cash flows as part of the impairment test of goodwill are the following:

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

The basic assumptions used are consistent with independent external sources of information.

Based on the result of the impairment test as of June 30, 2019, an impairment loss was identified and therefore the recorded amount of goodwill for TELEKOM ROMANIA MOBILE was fully impaired. In this respect, an amount of Euro 69.4 was charged in the 2019 interim consolidated income statement and is included in the line "Depreciation, amortization and impairment".

6. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
(a) Investments in subsidiaries	-	-	3,499.2	3,245.1
(b) Other investments	0.1	0.1	0.1	0.1
TOTAL	**0.1**	**0.1**	**3,499.3**	**3,245.2**

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	30/06/2019	31/12/2018
COSMOTE	100.00%	Greece	2,763.6	2,763.5
COSMOTE PAYMENTS	100.00%	Greece	0.4	0.4
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	284.9	284.9
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	72.6	72.6
OTE GLOBE	100.00%	Greece	102.2	102.2
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
TELEKOM ROMANIA MOBILE	70.00%	Romania	254.0	-
TOTAL			**3,499.2**	**3,245.1**

The movement of investments in subsidiaries is as follows:

	30/06/2019
Carrying value January 1	**3,245.1**
Subsidiaries' share option plans	0.1
Participation in subsidiary (TELEKOM ROMANIA MOBILE)	800.0
Adjustment of the value of investment in subsidiary - Impairment (TELEKOM ROMANIA MOBILE)	(546.0)
Carrying value June 30	**3,499.2**

SALE OF GLOBUL AND GERMANOS TELECOM BULGARIA A.D.

In 2013, the Group sold its stake in GLOBUL and in GERMANOS TELECOM BULGARIA A.D.. In the interim consolidated income statement of first Half of 2019 in the line "Gains / (losses) from investments and other financial assets – Impairment", a gain of Euro 22.1 is included, relating to the reversal of a provision regarding that sale. As of June 30, 2019, there are no remaining provisions in relation to that sale.

PARTICIPATION IN TELEKOM ROMANIA MOBILE

On March 20, 2019, COSMOTE's Board of Directors approved the sale to TELEKOM ROMANIA of its total ownership interest of 70% in the share capital of TELEKOM ROMANIA MOBILE for a total consideration of Euro 1.0 (absolute amount), under the condition subsequent of the share capital increase in TELEKOM ROMANIA MOBILE for an amount of Euro 800.0. The respective Share Transfer Agreement was signed on April 23, 2019.

On March 20, 2019, the Board of Directors of OTE approved a series of measures aiming at the capital restructuring of TELEKOM ROMANIA MOBILE. More specifically, the share capital increase of TELEKOM ROMANIA MOBILE was approved and the participation of OTE in the aforementioned increase by contributing in cash an amount of Euro 800.0. The share capital increase would be used, for the repayment by TELEKOM ROMANIA MOBILE of the total outstanding liability in relation to COSMOTE's intercompany loan to TELEKOM ROMANIA MOBILE within 2019, and for working capital needs.

Within this framework, the Board of Directors of OTE on March 20, 2019 and the Extraordinary General Meeting of TELEKOM ROMANIA MOBILE on April 2, 2019 respectively approved, the funding of TELEKOM ROMANIA MOBILE through loan granted by OTE, of an amount of Euro 270.0. The proceeds of the loan would be used for the repayment of the accrued interest, as a result of COSMOTE's intercompany loan to TELEKOM ROMANIA MOBILE, as well as for working capital needs. Following the disbursement of the above loan, on April 10, 2019, TELEKOM ROMANIA MOBILE proceeded with the repayment of accrued interest to COSMOTE. The loan was fully repaid by TELEKOM ROMANIA MOBILE to OTE on May 23, 2019.

On April 24, 2019 the Extraordinary General Meeting of TELEKOM ROMANIA MOBILE approved the increase of its share capital by Euro 800.0. OTE participated in the share capital increase by cash contribution, representing 100% of the aforementioned share capital increase. The amount was paid on May 20, 2019. After the completion of the process OTE's total ownership interest in the share capital of TELEKOM ROMANIA MOBILE stands at 70.0%.

ADJUSTMENT OF THE VALUE OF INVESTMENT IN TELEKOM ROMANIA MOBILE

In the context of the impairment test of goodwill carried out on TELEKOM ROMANIA MOBILE cash generating unit, the carrying value of OTE's investment in TELEKOM ROMANIA MOBILE was adjusted based on the value in use (see Note 5) and an impairment loss of Euro 546.0 was recognized in the interim separate income statement and is included in the line "Gains / (losses) from investments and other financial assets – Impairment".

NON-CONTROLLING INTERESTS

Changes in non-controlling interests

Following the share capital increase of TELEKOM ROMANIA MOBILE, an amount of Euro 58.6 has been transferred from equity attributed to holders of the parent to non-controlling interests.

In March 2019, COSMOTE acquired 0.141% non-controlling interests in TELEKOM ALBANIA, for a total consideration of Euro 0.7. Following this acquisition, the Group's participation in TELEKOM ALBANIA before the disposal reached 99.899%.

The Group's non-controlling interests amount to Euro 276.5 as of June 30, 2019 (December 31, 2018: Euro 241.5), out of which an amount of Euro 226.5 relates to TELEKOM ROMANIA (December 31, 2018: Euro 239.4), representing the 45.99% on TELEKOM ROMANIA's equity, which is owned by the Romanian State and an amount of Euro 48.8 relates to TELEKOM ROMANIA MOBILE (December 31, 2018: Euro nil), representing the 13.80% on TELEKOM ROMANIA MOBILE's equity, which is owned indirectly by the Romanian State.

AGREEMENT FOR THE SALE OF TELEKOM ALBANIA

On January 16, 2019, the Group announced the signing of an agreement to sell its entire stake in TELEKOM ALBANIA to the bulgarian company, Albania Telecom Invest AD. The transaction was completed on May 07, 2019 after the approval by the competent authorities. The agreed consideration for the sale amounted to Euro 50.1 and it was received on May 07, 2019.

In the consolidated statement of financial position as of December 31, 2018, taking into account the provisions of IFRS 5, this disposal group met the criteria for classification as held for sale and therefore, its assets and liabilities are presented separately from other assets and liabilities of the Group in the line items "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", respectively.

Furthermore, the operations of this disposal group represent a separate geographical area of operations for the Group (mobile telecommunication services in Albania) and a separate cash generating unit. As a result, its operations for the year 2018 until the date of disposal i.e. May 7,2019, have been treated as discontinued operations.

In the cash flow statement, the cash flows from the operating, investing and financing activities of this disposal group have been separated from the rest cash flows of the Group and reported as single line items under each activity.

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

	07/05/2019
Assets	
Property, plant and equipment	20.9
Telecommunication licenses	13.1
Other intangible assets	0.3
Right-of-use assets	8.0
Other non-current assets	0.4
Total non-current assets	**42.7**
Other current assets	23.5
Cash and cash equivalents	15.0
Total current assets	**38.5**
Total Assets	**81.2**
Liabilities	
Non-current liabilities	7.7
Current liabilities	22.0
Total Liabilities	**29.7**
Net assets sold	**51.5**

Selling price	50.1
Disposal expenses, price adjustments and other provisions	(18.6)
Group's share in TELEKOM ALBANIA's net assets sold (99.899%)	(51.5)
Loss from sale of investment	**(20.0)**
Reclassification of foreign currency translation reserve	22.9
Gain from sale of investment in the consolidated income statement (before tax)	**2.9**

Selling price	50.1
Less settled disposal expenses and price adjustments	(3.9)
Less cash and cash equivalents disposed	(15.0)
Net inflow from the sale of subsidiary in the consolidated statement of cash flows	**31.2**

Condensed income statements of the disposal group classified as held for sale (discontinued operations) for the periods presented are included in the table below (after the elimination of intercompany transactions):

	01/01/2019-07/05/2019	1st Half 2018
Total revenues from mobile business	19.0	30.0
Other revenues	0.1	0.1
Total revenues	**19.1**	**30.1**
Other operating income	-	0.1
Total operating expenses before depreciation, amortization and impairment	(14.3)	(27.9)
Operating profit before financial and investing activities, depreciation, amortization and impairment	**4.8**	**2.3**
Depreciation, amortization and impairment	(0.8)	(6.1)
Operating profit/ (loss) before financial and investing activities	**4.0**	**(3.8)**
Foreign exchange differences, net	1.5	(22.3)
Income and expense from other financial and investing activities	(0.2)	(0.3)
Total profit/ (loss) from financial and investing activities	**1.3**	**(22.6)**
Profit/ (loss) before tax	**5.3**	**(26.4)**
Income tax	-	(0.1)
Profit/ (loss) for the period	**5.3**	**(26.5)**
Other comprehensive income/ (loss) after tax	(2.9)	27.5
Total comprehensive income/ (loss) after tax	**2.4**	**1.0**

OTE does not have a direct participation in TELEKOM ALBANIA and therefore the above described transaction does not affect the separate financial statements of the Company.

7. SHARE CAPITAL - SHARE PREMIUM - TREASURY SHARES

In 2018, 8,890,960 treasury shares were acquired for the purpose of cancellation within the framework of the Share Repurchase Program approved by the General Meeting of Shareholders on February 15, 2018. In addition, prior to the commencement of the aforementioned Share Repurchase Program, OTE held 1,320,110 treasury shares.

The Extraordinary General Meeting of Shareholders of December 19, 2018 approved the cancellation of the aforementioned total treasury shares, i.e. 10,211,070 shares (2.083% of total share capital), together with the corresponding reduction in the Company's share capital of Euro 28.9 and amendment of the Company's Articles of Incorporation (article 5). The cancellation was proposed pursuant to the Shareholders Remuneration Policy approved by the Board of Directors on January 18, 2018.

On February 5, 2019, following notification to the Corporate Actions Committee of the Athens Stock Exchange and the completion of other legal and regulatory procedures, the aforementioned shares were cancelled and delisted from the Athens Stock Exchange effective from February 19, 2019.

Following this cancellation, OTE's share capital as of June 30, 2019 amounted to Euro 1,358.2 (December 31, 2018: Euro 1,387.1) divided into 479,939,319 registered shares, with a nominal value of Euro 2.83 (absolute amount) per share.

Furthermore, as a result of the aforementioned cancellation of treasury shares a reduction of Euro 10.4 and Euro 69.2 was recognized in share premium and retained earnings, respectively.

The share premium as of June 30, 2019 amounted to Euro 486.6 (December 31, 2018: Euro 496.7).

The following is an analysis of the ownership of OTE's shares as of June 30, 2019:

Shareholder	Number of shares	Percentage %
DEUTSCHE TELEKOM AG	220,567,676	45.96%
Hellenic State	4,901,507	1.02%
EFKA (refers only to the transfer of 4% from the Hellenic State)	19,606,015	4.09%
Free float	230,850,741	48.09%
Treasury shares	4,013,380	0.84%
TOTAL	**479,939,319**	**100.00%**

Finally, within the framework of the Share Repurchase Program, during 2019 OTE acquired 4,013,380 treasury shares amounting to Euro 46.6, as of June 30, 2019.

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

	Number of shares	Amount
Treasury shares as at January 1, 2019	**10,211,070**	**108.5**
Cancellation of treasury shares	(10,211,070)	(108.5)
Treasury shares acquired during the period	4,013,380	46.6
Treasury shares as at June 30, 2019	**4,013,380**	**46.6**

8. DIVIDENDS

On June 12, 2019, the General Assembly of OTE's Shareholders approved the distribution of dividend of a total amount of Euro 220.8 or Euro 0.463903 (in absolute amount) per share.

On June 13, 2019 the Company's Board of Directors approved the distribution of the net proceeds of the sale of TELEKOM ALBANIA in the form of extraordinary dividend of a total amount of Euro 28.8 or at Euro 0.060595 (in absolute amount) per share.

The amount of dividends payable for the Group and the Company as of June 30, 2019 amounted to Euro 250.4 and Euro 250.4 respectively (December 31, 2018: Euro 0.9 and Euro 0.8).

9. LONG-TERM AND SHORT-TERM BORROWINGS

LONG – TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/06/2019	31/12/2018
(a) Bank loans	285.6	385.4
(b) Global Medium-Term Note Programme of OTE PLC	1,445.4	1,443.2
Total long-term debt	**1,731.0**	**1,828.6**
Short-term portion of long-term debt	(484.0)	(548.0)
Long-term borrowings	**1,247.0**	**1,280.6**

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

Description	Rate	Maturity	31/12/2018		30/06/2019				
			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	Euribor+3.50%	16/09/2019	113.0	112.7	-	(56.5)	0.2	56.5	56.4
BSTDB loan Euro 50.0	Euribor+2.50%	16/09/2019	16.7	16.6	-	(8.3)	-	8.4	8.3
EBRD loan Euro 65.0	Euribor+2.90%	09/07/2020	43.3	43.3	-	(10.8)	-	32.5	32.5
TELEKOM ROMANIA Facility	Robor+1.4%	30/09/2020	2.1	2.1	-	(0.6)	(0.1)	1.5	1.4
EBRD loan Euro 85.0	Euribor+2.95%	12/01/2021	60.7	60.7	-	(12.1)	-	48.6	48.6
EIB loan Euro 150.0	2.805%	23/01/2025	150.0	150.0	-	(11.6)	-	138.4	138.4
b) Global Medium-Tern Programme of OTE PLC									
Euro 350.0 notes	4.375%	02/12/2019	350.0	348.4	-	-	1.0	350.0	349.4
Euro 700.0 notes	3.500%	09/07/2020	700.0	697.5	-	-	0.8	700.0	698.3
Euro 400.0 notes	2.375%	18/07/2022	400.0	397.3	-	-	0.4	400.0	397.7
			1,835.8	**1,828.6**	**-**	**(99.9)**	**2.3**	**1,735.9**	**1,731.0**

For the Group, as of June 30, 2019, the short-term portion of long term debt amounts to Euro 484.0 consisting of Euro 102.4 (EBRD loans), Euro 8.3 (BSTDB loan), Euro 23.1 (EIB loan), Euro 349.3 (OTE PLC Notes) and Euro 0.9 (TELEKOM ROMANIA facility).

COMPANY	30/06/2019	31/12/2018
(a) Bank loans	64.7	129.3
(b) Intercompany loans	1,306.2	1,419.7
Total long-term debt	**1,370.9**	**1,549.0**
Short-term portion of long-term borrowings	(275.0)	(278.6)
Long-term borrowings	**1,095.9**	**1,270.4**

The outstanding balance of intercompany loans for the Company refers to loans granted by OTE PLC.

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

Description	Maturity	31/12/2018		30/06/2019				
		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	113.0	112.7	-	(56.5)	0.2	56.5	56.4
BSTDB loan Euro 50.0	16/09/2019	16.7	16.6	-	(8.3)	-	8.4	8.3
b) Intercompany loans								
Euro 150.0 loan	02/12/2019	150.0	149.3	-	-	0.4	150.0	149.7
Euro 75.0 loan	27/05/2020	75.0	75.0	-	(55.0)	-	20.0	20.0
Euro 70.0 loan	10/06/2020	70.0	70.0	-	(60.0)	-	10.0	10.0
Euro 30.6 loan	23/06/2020	30.6	30.6	-	-	-	30.6	30.6
Euro 700.0 loan	09/07/2020	700.0	697.5	-	-	0.8	700.0	698.3
Euro 400.0 loan	18/07/2022	400.0	397.3	-	-	0.3	400.0	397.6
		1,555.3	**1,549.0**	**-**	**(179.8)**	**1.7**	**1,375.5**	**1,370.9**

For the Company, as of June 30, 2019, the short-term portion of long term borrowings amounts to Euro 275.0 consisting of Euro 56.4 (EBRD loan), Euro 8.3 (BSTDB loan) and Euro 210.3 (intercompany loans from OTE PLC).

SHORT –TERM BORROWINGS

GROUP

The Group's outstanding balance of short-term borrowings as of June 30, 2019 amounted to Euro nil (December 31, 2018: Euro nil).

The analysis of short- term loans is as follows:

Description	Maturity date	31/12/2018	30/06/2019		
		Book value	New loans	Repayments/ Prepayments	Book value
Euro 200.0 notes	15/11/2019	-	200.0	(200.0)	-
TELEKOM ROMANIA MOBILE credit line	21/04/2020	-	2.9	(2.9)	-
		-	**202.9**	**(202.9)**	**-**

The Euro 200.0 notes were issued on May 17, 2019 by OTE PLC and were subscribed by DEUTSCHE TELEKOM AG. The notes were fully prepaid on June 17, 2019.

COMPANY

The outstanding balance of short-term borrowings as of June 30, 2019 for the Company amounted to Euro nil (December 31, 2018: Euro nil).

The analysis of short- term loans is as follows:

Description	Maturity date	31/12/2018	30/06/2019		
		Book value	New loans	Repayments/ Prepayments	Book value
Euro 200.0 intercompany loan	15/11/2019	-	200.0	(200.0)	-
		-	**200.0**	**(200.0)**	**-**

10. PROVISIONS FOR VOLUNTARY LEAVE SCHEME

OTE Voluntary Leave Scheme

In the first half of 2019, OTE proceeded to the implementation of voluntary leave schemes, the respective cost of which amounted to Euro 49.4.

Other voluntary leave schemes

In the first half of 2019, the operating segments, COSMOTE Group – Greece, TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE, implemented voluntary leave schemes, the total cost of which was Euro 2.9, Euro 2.0 and Euro 0.2, respectively.

The total cost of the above mentioned programs for the first half of 2019, amounted to Euro 54.5 and Euro 49.4 for the Group and the Company, respectively. Amounts paid during the first half of 2019, in relation to voluntary leave schemes were Euro 50.0 for the Group and Euro 42.4 for the Company.

11. INCOME TAXES

The corporate income tax rate of legal entities in Greece is set at 28% for fiscal year 2019, but according to Article 23 of Law 4579/2018, it will be gradually reduced by 1% per annum as follows:

- 27% for fiscal year 2020
- 26% for fiscal year 2021
- 25% for fiscal year 2022 and onwards.

The corporate income tax rate of legal entities in Romania is set at 16%.

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	2018
COSMOTE	2010, 2018
OTE INTERNATIONAL INVESTMENTS LTD	2012 – 2018
COSMO-ONE	2018
OTE PLC	2014 – 2018
OTESAT-MARITEL	2018
OTE PLUS	2010, 2018
OTE ESTATE	2018
OTE GLOBE	2010, 2018
OTE INSURANCE	2018
OTE ACADEMY	2018
COSMOTE TV PRODUCTIONS	2018
TELEKOM ROMANIA	2017, 2018
NEXTGEN	2008 – 2018
TELEKOM ROMANIA MOBILE	2017, 2018
GERMANOS	2018
COSMOTE E-VALUE	2010, 2018
MOBILBEEEP LTD	2011 – 2018
E-VALUE LTD	2018
COSMOHOLDING INTERNATIONAL B.V.	2014 – 2018
E-VALUE INTERNATIONAL S.A.	2014 – 2018
OTE RURAL NORTH	2014 – 2018
OTE RURAL SOUTH	2014 – 2018
COSMOTE PAYMENTS	2018
COSMOTE GLOBAL SOLUTIONS S.A.	2018

- OTE, COSMOTE, GERMANOS, OTESAT-MARITEL and OTE GLOBE have received from the tax authorities, audit notifications for year 2012. It is noted that for the said year, the companies have been audited within the framework of the Annual Tax Certificate process as provided by paragraph 5 of article 82 of law 2238/1994 and the relevant Tax Compliance Reports have been issued without reservations by PricewaterhouseCoopers S.A.. The relevant tax audits for

OTE and OTESAT-MARITEL have not started yet. The respective tax audits for GERMANOS and OTE GLOBE are in progress. The tax audit for COSMOTE was completed and additional taxes and surcharges were imposed to the company amounting to Euro 1.9. The company has appealed against this decision. The completion of the audit did not have any impact for the Group.

- 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 and OTE GLOBE for the fiscal year 2010 have not been completed.
- The tax audit for TELEKOM ROMANIA MOBILE for the years 2013 - 2016 was completed and additional taxes and penalties were imposed to the company amounting to Euro 12.4. The entity will appeal in front of the Romanian tax authorities.
- GERMANOS TELECOM ROMANIA S.A. and SUNLIGHT ROMANIA S.R.L FILIALA were absorbed in 2017 by TELEKOM ROMANIA MOBILE. Both companies were not audited for the tax years 2013 - 2017.
- ZAPP was absorbed in 2017 by TELEKOM ROMANIA MOBILE. ZAPP was not audited for the tax years 2016 - 2017.
- The tax audit for TELEKOM ROMANIA for the years 2011 - 2016 was completed and the tax authorities initially imposed additional taxes and fines amounting to Euro 19.7. TELEKOM ROMANIA submitted an appeal which had a positive outcome for the company. The tax audit findings corresponding to Euro 17.7 of additional taxes and fines were permanently cancelled. The remaining findings were subject to reverification by a second audit which confirmed the initial assessment and imposed additional taxes and penalties of Euro 2.2. The company will appeal.
- COSMO-ONE, OTE INSURANCE, OTE ACADEMY, COSMOTE TV PRODUCTIONS, MOBILBEEEP LTD and E-VALUE LTD, have not been audited by the tax authorities for the fiscal year 2010. In principal, fiscal year 2010 is considered closed for tax audit purposes.

The current income tax expense of the Group for the first half of 2019 includes a positive effect amounted to Euro 18.1 related to deductible investment losses for which no deferred tax asset was previously recognized and intercompany dividends received.

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 2018 has been completed by PricewaterhouseCoopers S.A. and the "Tax Compliance Report" will be issued in the third quarter of 2019.

The major components of income tax expense are as follows:

	1st Half	
GROUP	**2019**	**2018**
Current income tax	60.3	65.6
Deferred income tax	3.6	(4.1)
Total income tax	**63.9**	**61.5**

	1st Half	
COMPANY	**2019**	**2018**
Current income tax	34.8	48.2
Deferred income tax	5.8	3.5
Total income tax	**40.6**	**51.7**

Income tax payable for the Group and the Company as of June 30, 2019 amounted to Euro 64.9 and 47.4, respectively (December 31, 2018: Euro 25.5 and 13.1, respectively).

Income tax receivable for the Group and the Company as of June 30, 2019 amounted to Euro 59.4 and Euro 7.7, respectively (December 31, 2018: Euro 49.4 and Euro 7.7 respectively) and is recorded under “Other current assets”.

12. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

GROUP	1st Half	
	2019	2018
Gain from disposal of property, plant and equipment	11.2	10.7
Income from contract penalties	1.3	7.2
Income from investment property	-	3.5
Income from related parties (Note 16)	0.1	0.1
Other	4.8	5.9
TOTAL	**17.4**	**27.4**

COMPANY	1st Half	
	2019	2018
Gain from disposal of property, plant and equipment	2.4	2.0
Income from contract penalties	-	0.7
Income from related parties (Note 16)	0.6	1.0
Other	1.2	0.7
TOTAL	**4.2**	**4.4**

Following the adoption of IFRS16, amounts related to income from investment property (proceeds from lease agreements) have been reclassified to "miscellaneous other revenues".

13. 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	1st Half	
	2019	2018
Profit attributable to owners of the parent	**104.8**	**88.0**
Profit for the period from continuing operations (attributable to owners of the parent)	99.5	114.5
Profit / (Loss) for the period from discontinued operations (attributable to owners of the parent)	5.3	(26.5)
Weighted average number of shares for basic earnings per share	478,359,438	488,185,969
Weighted average number of shares adjusted for the effect of dilutions	478,359,438	488,185,969
Basic earnings / (losses) per share	**0.2191**	**0.1803**
From continuing operations	0.2080	0.2345
From discontinued operations	0.0111	(0.0542)
Diluted earnings / (losses) per share	**0.2191**	**0.1803**
From continuing operations	0.2080	0.2345
From discontinued operations	0.0111	(0.0542)

(Earnings per share are in absolute amounts)

14. CONTRACT BALANCES

The following table provides information about contract assets and contract liabilities from contract with customers:

	GROUP		COMPANY	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Contract costs (short-term portion)	30.4	32.1	2.5	2.5
Contract costs (long-term portion)	17.2	18.1	1.7	1.5
Total contract costs	**47.6**	**50.2**	**4.2**	**4.0**
Contract assets (short-term portion)	23.2	25.0	1.6	1.9
Contract assets (long-term portion)	8.8	11.4	-	-
Total contract assets	**32.0**	**36.4**	**1.6**	**1.9**
Total assets	**79.6**	**86.6**	**5.8**	**5.9**
Contract liabilities (short-term portion)	125.2	122.0	72.0	73.4
Contract liabilities (long-term portion)	41.4	50.8	54.0	110.9
Total liabilities	**166.6**	**172.8**	**126.0**	**184.3**

15. 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, TELEKOM ROMANIA MOBILE (former COSMOTE Group – Romania) 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 – Greece is a provider of mobile telecommunications services in Greece.
- TELEKOM ROMANIA MOBILE (former COSMOTE Group – Romania) is a provider of mobile telecommunications services in Romania.
- TELEKOM ROMANIA is a provider of fixed-line services, mobile telecommunications 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, 2019	OTE	COSMOTE Group Greece	TELEKOM ROMANIA MOBILE	TELEKOM ROMANIA	OTHER	TOTAL	Elim.	GROUP
Retail services revenues (fixed business)	464.2	0.5	-	117.1	-	581.8	-	581.8
Service revenues (mobile business)	-	453.6	131.3	23.5	-	608.4	-	608.4
Revenue from the sale of goods and merchandise	17.1	58.7	32.0	11.7	1.6	121.1	-	121.1
Revenues from the use of assets	87.3	-	1.2	4.2	1.5	94.2	-	94.2
Other revenues	157.5	3.6	9.5	116.6	162.8	450.0	-	450.0
External revenue	**726.1**	**516.4**	**174.0**	**273.1**	**165.9**	**1,855.5**	**-**	**1,855.5**
Revenues from discontinued operations	-	1.5	-	-	0.3	1.8	(1.8)	-
Intersegment revenue	55.9	75.3	36.6	13.6	64.6	246.0	(246.0)	-
Total revenues	**782.0**	**593.2**	**210.6**	**286.7**	**230.8**	**2,103.3**	**(247.8)**	**1,855.5**
Operating profit before financial and investing activities, depreciation, amortization and impairment	320.6	236.8	30.8	39.1	29.5	656.8	(31.4)	625.4
Costs related to voluntary leave schemes	(49.4)	(2.9)	(0.2)	(2.0)	-	(54.5)	-	(54.5)
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	370.0	239.7	31.0	41.1	29.5	711.3	(31.4)	679.9
Depreciation, amortization and impairment	(177.6)	(131.7)	(114.1)	(58.5)	(17.0)	(498.9)	26.4	(472.5)
Operating profit / (loss) before financial and investing activities	143.0	105.1	(83.3)	(19.4)	12.5	157.9	(5.0)	152.9
Dividend income	1,050.6	403.6	-	-	-	1,454.2	(1,454.2)	-
Interest income	3.2	14.0	0.1	1.3	28.0	46.6	(44.3)	2.3
Interest and related expenses	(38.4)	(19.6)	(16.8)	(1.4)	(28.4)	(104.6)	54.4	(50.2)
Interest expenses from discontinued operations	(2.0)	(0.6)	-	-	-	(2.6)	2.6	-
Income tax	(40.6)	(18.6)	0.2	-	(4.9)	(63.9)	-	(63.9)
Profit / (loss) for the period from continuing operations	570.8	513.2	(86.5)	(20.1)	7.5	984.9	(904.4)	80.5
Purchase of property plant and equipment and intangible assets	184.3	77.6	32.8	56.7	2.8	354.2	-	354.2

Six month period ended June 30, 2018	OTE	COSMOTE Group Greece	TELEKOM ROMANIA MOBILE	TELEKOM ROMANIA	OTHER	TOTAL	Elim.	GROUP
Retail services revenues (fixed business)	451.9	-	-	128.4	-	580.3	-	580.3
Service revenues (mobile business)	-	446.2	145.5	18.8	-	610.5	-	610.5
Revenue from the sale of goods and merchandise	16.5	61.3	35.9	18.2	1.0	132.9	-	132.9
Revenues from the use of assets	92.9	-	0.8	1.0	1.5	96.2	-	96.2
Other revenues	158.7	2.1	15.9	99.7	154.0	430.4	-	430.4
External revenue	**720.0**	**509.6**	**198.1**	**266.1**	**156.5**	**1,850.3**	**-**	**1,850.3**
Revenues from discontinued operations	-	2.0	-	-	0.7	2.7	(2.7)	-
Intersegment revenue	55.7	71.4	47.7	14.6	61.2	250.6	(250.6)	-
Total revenues	**775.7**	**583.0**	**245.8**	**280.7**	**218.4**	**2,103.6**	**(253.3)**	**1,850.3**
Operating profit before financial and investing activities, depreciation, amortization and impairment	317.9	181.1	42.8	26.3	25.1	593.2	(0.8)	592.4
Costs related to voluntary leave schemes	(33.1)	(2.7)	(0.4)	(0.9)	-	(37.1)	-	(37.1)
Other restructuring costs and non-recurring litigations	(0.3)	-	-	-	-	(0.3)	-	(0.3)
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	351.3	183.8	43.2	27.2	25.1	630.6	(0.8)	629.8
Depreciation, amortization and impairment	(154.3)	(109.3)	(57.8)	(50.1)	(12.9)	(384.4)	0.4	(384.0)
Operating profit / (loss) before financial and investing activities	163.6	71.8	(15.0)	(23.8)	12.2	208.8	(0.4)	208.4
Dividend income	30.0	24.9	-	-	-	54.9	(54.9)	-
Interest income	1.3	19.4	-	0.1	28.2	49.0	(48.1)	0.9
Interest and related expenses	(30.9)	(12.7)	(18.8)	(1.2)	(27.5)	(91.1)	48.1	(43.0)
Interest expenses from discontinued operations	(1.1)	(0.5)	-	-	-	(1.6)	1.6	-
Income tax	(51.7)	(7.1)	2.4	-	(5.1)	(61.5)	-	(61.5)
Profit / (loss) for the period from continuing operations	111.5	95.6	(33.3)	(25.3)	8.1	156.6	(53.7)	102.9
Purchase of property plant and equipment and intangible assets	158.5	92.6	22.1	65.4	7.3	345.9	-	345.9

30/06/2019	OTE	COSMOTE Group Greece	TELEKOM ROMANIA MOBILE	TELEKOM ROMANIA	OTHER	TOTAL	Elim.	GROUP
Segment assets	2,964.4	2,713.5	629.4	826.4	2,189.5	9,323.2	(2,461.4)	6,861.8
Segment liabilities	3,307.4	1,350.4	275.7	333.8	1,755.3	7,022.6	(2,461.4)	4,561.2

31/12/2018	OTE	COSMOTE Group Greece	TELEKOM ROMANIA MOBILE	TELEKOM ROMANIA	OTHER	TOTAL	Elim.	GROUP
Segment assets from continuing operations	2,591.0	2,623.1	717.4	875.3	2,228.9	9,035.7	(2,404.3)	6,631.4
Segment liabilities from continuing operations	2,831.4	1,173.4	323.7	354.8	1,807.5	6,490.8	(2,404.3)	4,086.5

GEOGRAPHIC INFORMATION

Geographic information for the Group's revenues and operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations is as follows:

Six month period ended June 30, 2019	Greece	Romania	Elim.	TOTAL
Total revenues	1,416.6	447.8	(8.9)	1,855.5
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	607.9	72.1	(0.1)	679.9

Six month period ended June 30, 2018	Greece	Romania	Elim.	TOTAL
Total revenues	1,396.8	464.3	(10.8)	1,850.3
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	559.4	70.4	-	629.8

16. RELATED PARTY DISCLOSURES

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

The 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 45.96% 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, provides services and delivers goods to them. Furthermore, OTE grants / receives loans to / from these related parties, receives dividends and pays dividends.

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

	1st Half 2019		1st Half 2018	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	47.4	74.9	46.8	72.0
COSMOTE TV PRODUCTIONS	-	3.0	-	0.4
COSMO-ONE	-	0.3	-	0.3
OTE SAT-MARITEL	0.1	-	0.1	0.1
OTE PLUS	-	0.7	-	1.0
OTE ESTATE	0.1	6.0	-	23.2
OTE GLOBE	5.9	19.8	6.9	21.4
OTE ACADEMY	-	0.9	-	0.7
TELEKOM ROMANIA	0.4	-	-	-
TELEKOM ROMANIA MOBILE	0.1	-	-	-
OTE RURAL NORTH	0.8	1.0	0.8	0.8
OTE RURAL SOUTH	1.1	2.2	1.1	1.6
DEUTSCHE TELEKOM group of companies (except for OTE Group)	8.3	2.7	8.6	2.4
TOTAL	**64.2**	**111.5**	**64.3**	**123.9**

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

	1st Half 2019		1st Half 2018	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	21.5	21.1	20.0	18.3
TOTAL	**21.5**	**21.1**	**20.0**	**18.3**

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

	Other operating income OTE	
	1st Half 2019	1st Half 2018
COSMOTE Group - Greece	0.5	0.9
OTE ACADEMY	0.1	0.1
TOTAL	**0.6**	**1.0**

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 2019	1st Half 2018
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 2019		1st Half 2018	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	22.5	-	19.8
COSMOTE Group – Greece	0.1	-	-	-
TELEKOM ALBANIA	-	2.0	-	1.1
TELEKOM ROMANIA MOBILE	2.0	-	-	-
OTE RURAL NORTH	0.1	-	0.2	-
OTE RURAL SOUTH	0.2	-	0.3	-
TOTAL	**2.4**	**24.5**	**0.5**	**20.9**

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

	Dividend income OTE	
	1st Half 2019	1st Half 2018
OTESAT-MARITEL	0.6	-
COSMOTE Group – Greece	1,050.0	-
OTE ESTATE	-	30.0
TOTAL	**1,050.6**	**30.0**

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

	30/06/2019		31/12/2018	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	56.2	208.7	64.0	183.7
TELEKOM ROMANIA MOBILE	0.2	-	0.3	-
TELEKOM ALBANIA	-	-	0.2	-
COSMOTE TV PRODUCTIONS	-	1.6	-	1.3
COSMO-ONE	-	0.3	0.1	0.2
OTESAT-MARITEL	4.6	-	4.0	-
OTE PLUS	-	1.2	-	1.6
OTE ESTATE	1.5	231.3	122.0	1.5
OTE INSURANCE	-	-	0.1	-
OTE GLOBE	3.7	15.3	4.6	11.4
OTE ACADEMY	0.4	0.3	0.5	0.9
TELEKOM ROMANIA	1.7	-	1.3	0.1
OTE RURAL NORTH	0.5	0.4	2.0	0.3
OTE RURAL SOUTH	0.7	1.2	3.1	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.9	121.4	9.6	5.1
TOTAL	**74.4**	**581.7**	**211.8**	**206.3**

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 115.7 as of June 30, 2019 (December 31, 2018: nil).

In 2018, OTE ESTATE proceeded to share capital reduction by an amount of Euro 120.6, which reduced by an equal amount, the carrying value of OTE's investment. The relative amount has been received by OTE within 2019.

Amounts owed by OTE to OTE ESTATE and COSMOTE Group - Greece include liabilities related to leasing obligations amounting to Euro 229.6 and Euro 13.0 respectively as of June 30, 2019.

Following the adoption of IFRS 16, OTE's lease liabilities to related parties are analyzed as follows:

	Lease liabilities, opening balance	Lease payments	Contract Modifications	Interest expense	Lease liabilities, ending balance
OTE ESTATE	241.0	(17.9)	(0.2)	6.7	229.6
COSMOTE Group - Greece	15.4	(2.7)	-	0.3	13.0
TOTAL	**256.4**	**(20.6)**	**(0.2)**	**7.0**	**242.6**

In addition, the Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 16.9.

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:

	30/06/2019		31/12/2018	
	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)	21.3	178.0	26.3	70.9
TOTAL	**21.3**	**178.0**	**26.3**	**70.9**

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 115.7 as of June 30, 2019 (December 31, 2018: nil).

On May 17, 2019 OTE PLC issued Euro 200.0 notes, which were subscribed by DEUTSCHE TELEKOM AG. The notes were fully prepaid on June 17, 2019.

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

	30/06/2019		31/12/2018	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,343.5	-	1,322.2
COSMOTE Group – Greece	0.1	-	0.3	-
TELEKOM ALBANIA	-	-	-	115.9
OTE RURAL NORTH	6.2	-	6.2	-
OTE RURAL SOUTH	8.5	-	8.5	-
TOTAL	**14.8**	**1,343.5**	**15.0**	**1,438.1**

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 37.3 (December 31, 2018: OTE PLC Euro 17.5 and TELEKOM ALBANIA Euro 0.9).

Key Management Personnel and those closely related to them are defined as related parties 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 4.7 for the first half of 2019 (first half of 2018: Euro 4.6).

17. 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, 2018, except for the following:

OTE

IKA-ETAM (included in Note 20 in 2018 annual financial report)

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

By its letters dated January 21, 2011 and October 21, 2011, the Ministry notified OTE of the completion of the actuarial studies and handed over to OTE a copy of such actuarial studies. The additional financial burden that the above mentioned actuarial studies state that incurred based on law 3371/2005 and law 3762/2009 amounts to Euro 129.8 and Euro 3.7, respectively. OTE has provided for these amounts in its financial statements of 2010 and 2011, respectively.

On May 11, 2010, OTE filed an appeal against this Ministerial Decision before the Administrative Court of First Instance of Athens, requesting the annulment of article 3 as based on the Legal Department's assessment, it is in contravention of article 34 of law 3762/2009 and consequently, there are valid grounds for the annulment of this article. The hearing took place on October 6, 2017 and the court declared itself incompetent and referred the case to the Council of State.

On November 13, 2017 the Council of State decided to return the case to the Administrative Court of First Instance of Athens. The hearing took place on October 4, 2018 and a decision was issued. On April 7, 2019, OTE was notified that the Court accepted OTE's appeal. The opposition appealed against this decision. The hearing is pending.

GERMANOS

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. The hearing took place on February 8, 2018 and the

Court decision which was issued, rejected one of the filed lawsuits, accepted the other with regard to claims stemming from the commercial cooperation and awarded to the former franchisee the amount of Euro 60.000 (in absolute amount) plus interest.

18. 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	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Financial Assets				
Trade receivables	639.6	606.0	639.6	606.0
Loans to pension funds	84.5	86.2	120.7	116.9
Loans and advances to employees	47.6	55.6	47.6	55.6
Guarantees	6.0	5.9	6.0	5.9
Guaranteed receipt from Grantor (Financial asset model)	13.5	15.3	13.5	15.3
Contract assets	32.0	36.4	32.0	36.4
Restricted cash	2.9	2.9	2.9	2.9
Cash and cash equivalents	1,123.5	1,084.7	1,123.5	1,084.7
Financial Liabilities				
Long-term borrowings	1,247.0	1,280.6	1,301.5	1,318.1
Short-term portion of long-term borrowings	484.0	548.0	492.1	560.9
Lease liabilities	410.8	-	410.8	-
Trade accounts payable	876.1	1,034.0	876.1	1,034.0
Interest payable	45.3	22.1	45.3	22.1
Liability for TV broadcasting rights (long-term portion)	48.3	61.3	48.3	61.3

	Carrying Amount		Fair value	
COMPANY	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Financial Assets				
Trade receivables	305.4	294.5	305.4	294.5
Loans to pension funds	84.5	86.2	120.7	116.9
Loans and advances to employees	45.7	53.9	45.7	53.9
Guarantees	0.4	0.5	0.4	0.5
Other receivables from related parties	7.9	131.6	7.9	131.6
Loans to group companies	14.7	14.7	17.4	16.1
Contract assets	1.6	1.9	1.6	1.9
Cash and cash equivalents	520.1	292.9	520.1	292.9
Financial Liabilities				
Long-term borrowings	1,095.9	1,270.4	1,148.7	1,309.2
Short-term borrowings and short-term portion of long-term borrowings	275.0	278.6	279.4	284.4
Lease liabilities	277.6	-	277.6	-
Trade accounts payable	394.8	425.3	394.8	425.3
Interest payable	37.9	19.7	37.9	19.7
Liability for TV broadcasting rights (long-term portion)	45.4	55.8	45.4	55.8

The fair values of loans to pension funds, loans to group companies, long-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, 2019, the Group and the Company held the following financial instruments measured at fair value:

	Fair value		
GROUP	30/06/2019	31/12/2018	Fair value hierarchy
Financial Assets			
Investments in mutual funds	4.5	3.7	Level 1
Investments in mutual funds	1.4	1.4	Level 3

	Fair value		
COMPANY	30/06/2019	31/12/2018	Fair value hierarchy
Financial Assets			
Investment in mutual funds	2.7	2.3	Level 1

FINANCIAL RISK MANAGEMENT

Macroeconomic conditions in Greece – Capital controls

The macroeconomic and financial environment in Greece is showing continuous signs of stability, following the successful completion of the Third Program and the release of the third enhanced surveillance report by the European Commission on June 5, 2019. The capital controls initially imposed on June 28, 2015 continue to be in place but have been eased over time. To the extent that will be no delays in the completion of key structural reforms 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, 2019.

Brexit

The Group is assessing potential implications from the exit of United Kingdom from the European Union (Brexit) and taking measures to mitigate any disruption. From the analysis performed up to date, Brexit is not expected to have a material adverse effect on the operations of the Group.

Financial Risks

The below stated risks are significantly affected by 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 fair value through profit and loss include mutual funds and other securities. These financial assets are not considered to expose the Group and the Company to a significant credit risk.

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Group and the Company. However, due to the large number of customers and the diversification of the customer base, there is no concentration of credit risk with respect to these receivables. Concentration of risk is however considered to exist for amounts receivable from other telecommunication service providers, due to their relatively small number and the high 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 recognizes 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 business group, their credit risk characteristics, aging profile and existence of previous financial difficulties, also adjusted for forward-looking factors specific to the customers and the economic environment.

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 years' voluntary leave schemes. The latter loans are exposed to credit risk related to the debt servicing capacity of the pension fund.

b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due. Liquidity risk is kept at low levels by ensuring that there is sufficient cash on demand and / or credit facilities to meet the financial obligations falling due in the next 12 months. The Group's and the Company's cash and cash equivalents and other financial assets as at June 30, 2019 amount to Euro 1,129.4 and Euro 525.8 respectively, their short-term portion of long-term borrowings amount to Euro 484.0 and Euro 275.0, respectively and their short-term lease liabilities amount to Euro 69.0 and Euro 39.0, respectively.

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

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will result in fluctuations of the value of the Group's and the Company's financial instruments. The objective of market risk management is to manage and control exposure within acceptable levels.

The individual risks that comprise market risk and the Group's and the Company's policies for managing them are described below:

i. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's long-term borrowings.

ii. Foreign currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes.

The Group operates in Southeastern Europe and as a result is exposed to currency risk due to changes between the functional currencies and other currencies. The main currencies within the Group are the Euro and the Ron (Romania).

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 Group level. Net debt includes interest bearing loans and notes, as well as long-term and short-term lease liabilities (following IFRS 16 adoption as of January 01, 2019), less cash and cash equivalents.

GROUP	June 30, 2019	December 31, 2018
Long-term borrowings	1,247.0	1,280.6
Short-term portion of long-term borrowings	484.0	548.0
Lease liabilities (long-term portion)	341.8	-
Lease liabilities (short-term portion)	69.0	-
Cash and cash equivalents	(1,123.5)	(1,084.7)
Net debt	**1,018.3**	**743.9**
Total equity	2,300.6	2,574.7
Gearing ratio	**0.44x**	**0.29x**

COMPANY	June 30, 2019	December 31, 2018
Long-term borrowings	1,095.9	1,270.4
Short-term portion of long-term borrowings	275.0	278.6
Lease liabilities (long-term portion)	238.6	-
Lease liabilities (short-term portion)	39.0	-
Cash and cash equivalents	(520.1)	(292.9)
Net debt	**1,128.4**	**1,256.1**
Total equity	3,156.3	2,888.9
Gearing ratio	**0.36x**	**0.43x**

19. RECLASSIFICATIONS

In the interim consolidated and separate income statement of the first half of 2018, an amount of Euro 12.2 and Euro 2.8 respectively, has been reclassified from "Other sundry operating expenses" to "Third party fees and services" for better presentation.

In the interim consolidated income statement of the first half of 2018, an amount of Euro 3.0, has been reclassified from "Other sundry operating expenses" to "Rental, leasing and facility costs" for better presentation.

20. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after June 30, 2019, are as follows:

OTE

Share Buyback Program

Until August 5, 2019, within the framework of the Share Repurchase Program approved by the General Meeting of Shareholders on February 15, 2018, OTE had acquired 5.412.000 own shares for a total value of Euro 64.0.

COSMOTE

Payment of principal installment under the Euro 150.0 syndicated facility arranged by the European Bank for Reconstruction and Development (EBRD)

On July 12, 2019, COSMOTE paid principal installment of Euro 23.0 under the syndicated facility with EBRD, along with the accrued interest.

Payment of principal installment under the Euro 150.0 term loan facility with European Investment Bank (EIB)

On July 23, 2019, COSMOTE paid principal installment of Euro 11.5 under the term loan facility with EIB, along with the accrued interest.

V. FINANCIAL DATA AND INFORMATION

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

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

REGISTERED OFFICE: 99 KIFISSIAS AVE - 15124 MAROUSSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2019 TO JUNE 30, 2019

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.

Company's Web Site : www.cosmote.gr
Date of approval of financial statements from the Board of Directors: August 07, 2019
The Certified Auditor: Fotis Smirnis (RN ICA(GR): 52861)
Auditing Company: PricewaterhouseCoopers S.A. Certified Auditors - Accountants (SOEL REG: No 113)
Type of Auditor's Review Report: Unqualified

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

	GROUP		COMPANY	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
ASSETS				
Property, plant and equipment	2,636.1	2,741.1	1,275.4	1,296.4
Right-of-use assets	437.6	-	281.4	-
Intangible assets	1,212.4	1,327.6	231.6	228.1
Other non current assets	458.6	500.1	3,728.1	3,493.7
Inventories	70.8	82.0	9.5	11.5
Trade receivables	639.6	606.0	305.4	294.5
Other current assets	283.2	289.9	112.2	219.1
Cash and cash equivalents	1,123.5	1,084.7	520.1	292.9
Assets of disposal group classified as held for sale	-	68.5	-	-
TOTAL ASSETS	**6,861.8**	**6,699.9**	**6,463.7**	**5,836.2**
EQUITY AND LIABILITIES				
Share capital	1,358.2	1,387.1	1,358.2	1,387.1
Other equity items	665.9	946.1	1,798.1	1,501.8
Equity attributable to shareholders of the parent (a)	2,024.1	2,333.2	3,156.3	2,888.9
Non-controlling interests (b)	276.5	241.5	-	-
Total equity (c) = (a) + (b)	**2,300.6**	**2,574.7**	**3,156.3**	**2,888.9**
Long-term borrowings	1,247.0	1,280.6	1,095.9	1,270.4
Lease liabilities (long-term)	341.8	-	238.6	-
Provisions / Other non-current liabilities	449.8	470.1	436.0	452.6
Short-term borrowings	484.0	548.0	275.0	278.6
Lease liabilities (short-term)	69.0	-	39.0	-
Other current liabilities	1,969.6	1,787.8	1,222.9	945.7
Liabilities of disposal group classified as held for sale	-	38.7	-	-
Total liabilities (d)	**4,561.2**	**4,125.2**	**3,307.4**	**2,947.3**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**6,861.8**	**6,699.9**	**6,463.7**	**5,836.2**

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

	GROUP		COMPANY	
	01.01-30.06.2019	01.01-30.06.2018	01.01-30.06.2019	01.01-30.06.2018
Total revenues	1,855.5	1,850.3	782.0	775.7
Profit before taxes, investment and financial activities	**152.9**	**208.4**	**143.0**	**163.6**
Profit before tax	144.4	164.4	611.4	163.2
Profit for the year from continuing operations	**80.5**	**102.9**	**570.8**	**111.5**
Profit / (loss) from discontinued operations	5.3	(26.5)	-	-
Profit after tax (A)	**85.8**	**76.4**	**570.8**	**111.5**
Attributable to:				
- Owners of the parent	104.8	88.0	570.8	111.5
- Non - controlling interests	(19.0)	(11.6)	-	-
Other comprehensive income / (loss) after tax (B)	**(59.6)**	**26.2**	**(7.2)**	**(1.4)**
Total comprehensive income after tax (A) + (B)	**26.2**	**102.6**	**563.6**	**110.1**
Attributable to:				
- Owners of the parent	48.8	115.0	563.6	110.1
- Non - controlling interests	(22.6)	(12.4)	-	-
Basic earnings per share (in €) from continuing operations	**0.2080**	**0.2345**	**-**	**-**
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**625.4**	**592.4**	**320.6**	**317.9**

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

	GROUP		COMPANY	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Total equity at the beginning of the period (01.01.2019 and 01.01.2018)	2,574.7	2,589.4	2,888.9	2,958.2
Impact of implementation of IFRS 15 and IFRS 9	-	51.0	-	0.8
Impact of implementation of IFRS 16	(3.3)	-	(0.3)	-
Total comprehensive income after tax	26.2	102.6	563.6	110.1
Net change of participation in subsidiaries	(0.7)	-	-	-
Dividend distribution	(250.0)	(171.6)	(249.6)	(171.5)
Acquisition of treasury shares	(46.6)	(30.8)	(46.6)	(30.8)
Share option plans	0.3	0.2	0.3	0.2
Total equity at the end of the period (30.06.2019 and 30.06.2018)	**2,300.6**	**2,540.8**	**3,156.3**	**2,867.0**

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

	GROUP		COMPANY	
	01.01-30.06.2019	01.01-30.06.2018	01.01-30.06.2019	01.01-30.06.2018
Cash flows from operating activities				
Profit before tax	144.4	164.4	611.4	163.2
Adjustments for:				
Depreciation, amortization and impairment	472.5	384.0	177.6	154.3
Costs related to voluntary leave schemes	54.5	37.1	49.4	33.1
Provision for staff retirement indemnities	2.7	(29.5)	1.9	(30.4)
Provision for youth account	1.3	1.3	1.3	1.3
Foreign exchange differences, net	(13.6)	1.8	(0.6)	(0.4)
Interest income	(2.3)	(0.9)	(3.2)	(1.3)
Dividend income	-	-	(1,050.6)	(30.0)
(Gains) / losses from investments and other financial assets - Impairment	(25.8)	0.1	545.6	0.1
Interest and related expenses	50.2	43.0	40.4	32.0
Working capital adjustments:				
Decrease / (increase) in inventories	10.5	(9.9)	2.0	0.2
Decrease / (increase) in receivables	(6.5)	(59.0)	(13.6)	4.6
(Decrease) / increase in liabilities (except borrowings)	(30.4)	(46.7)	(13.7)	6.2
Plus / (Minus):				
Payment for voluntary leave schemes	(50.0)	(6.2)	(42.4)	(5.8)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(5.6)	(5.8)	(5.5)	(5.6)
Interest and related expenses paid (except leases)	(10.4)	(34.3)	(10.1)	(21.9)
Interest paid for leases	(11.2)	-	(7.9)	-
Income tax paid	(31.5)	(13.4)	(0.5)	(0.3)
Net cash flows from operating activities of discontinued operations	(5.3)	(0.4)	-	-
Net cash flows from operating activities (a)	**543.5**	**425.6**	**281.5**	**299.3**
Cash flows from investing activities				
Return of capital invested in subsidiary	-	-	120.6	61.5
Acquisition of subsidiaries	(0.7)	-	(800.0)	-
Loans granted to subsidiary	-	-	(270.0)	-
Repayment of loans granted to subsidiary	-	-	270.0	6.2
Repayment of loans receivable	3.6	3.6	3.6	3.6
Purchase of property, plant and equipment and intangible assets	(354.2)	(345.9)	(184.3)	(158.5)
Proceeds from disposal of subsidiaries / investments	31.2	-	-	-
Movement in restricted cash	-	(0.3)	-	-
Interest received	1.1	0.9	3.2	1.3
Dividends received	-	-	1,050.0	101.0
Net cash flows from investing activities of discontinued operations	(6.6)	(6.3)	-	-
Net cash flows from/ (used in) investing activities (b)	**(325.6)**	**(348.0)**	**193.1**	**15.1**
Cash flows from financing activities				
Acquisition of treasury shares	(46.3)	(29.8)	(46.3)	(29.8)
Proceeds from loans granted and issued	202.9	150.0	200.0	525.0
Repayment of loans	(302.8)	(678.0)	(379.8)	(538.8)
Lease repayments	(37.8)	-	(21.3)	-
Dividends paid to Company's owners	(0.1)	(0.1)	-	(0.1)
Net cash from financing activities from discontinued operations	(1.3)	-	-	-
Net cash flows used in financing activities (c)	**(185.4)**	**(557.9)**	**(247.4)**	**(43.7)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**32.5**	**(480.3)**	**227.2**	**270.7**
Cash and cash equivalents, at the beginning of the period	**1,084.7**	**1,297.7**	**292.9**	**185.6**
Cash and cash equivalents of disposal group classified as held for sale, beginning of period	7.5	-	-	-
Net foreign exchange differences	(1.2)	(0.3)	-	-
Cash and cash equivalents, at the end of the period	**1,123.5**	**817.1**	**520.1**	**456.3**

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 6 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 11 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 at June 30, 2019 for litigations and other risks, as well as for unaudited tax years or pending tax cases are as follows: a) for the Group € 139.1 million and € 27.7 million respectively and b) for the Company € 120.4 million and € 16.1 million respectively.
4) Number of employees at the end of the period Group: 18,565 (30.06.2018: 20,410), Company 7,900 (30.06.2018: 8,488).
5) Other comprehensive income / (loss) after tax for the first six months of 2019 which was recognized directly in equity for the Group, relates to actuarial losses € (7.3) million (net of deferred taxes), foreign currency translation € (29.4) million and reclassification of foreign currency translation reserve related to discontinued operations € (22.9). As for the Company, it relates to actuarial losses € (7.2) million (net of deferred taxes).
6) 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 holds a 45.96% interest in OTE as of June 30, 2019.
7) The impact of adopting IFRS 16 on the Group's and Company's interim condensed financial statements is presented in Note 4 of the financial statements.
8) The Company's transactions with its related parties as defined in IAS 24, are analyzed as follows: Sales and purchases of goods and services for the first six months of 2019, amounted to € 64.2 million and € 111.5 million, respectively. Other operating income for the first six months of 2019 amounted to € 0.6 million. Finance income and expense for the first six months of 2019 amounted to € 2.4 million and € 24.5 million respectively. The outstanding balance of receivables and payables from / to related parties as of June 30, 2019 derived from current transactions amounted to € 74.4 million and € 581.7 million, respectively. The outstanding balance of loans receivables from and payables to related parties amounted to € 14.8 million and € 1,343.5 million, respectively. Dividend income from related parties amounts to € 1,050.6 million. Fees to the members of the Board of Directors and the Company's key management personnel compensation charged in the Income Statement for the first six months of 2019, amounted to € 4.7 million. At Group level, sales and purchases of goods and services between related parties which are not eliminated, for the first six months of 2019 amounted to € 21.5 million and € 21.1 million, respectively. Other operating income, between related parties which is not eliminated, for the first six months of 2019 amounted to € 0.1 million. The outstanding balances of receivables and payables, between related parties which are not eliminated, as of June 30, 2019 resulting from operating transactions amounted to € 21.3 million and € 178.0 million, respectively.
9) Basic earnings per share were calculated based on the weighted average number of shares outstanding.
10) Reclassifications have been made for better presentation with no impact on the equity or the results of operations of the Group and the Company. These reclassifications are presented in Note 19 of the financial statements.
11) Significant events after June 30, 2019 are disclosed in Note 20 of the financial statements.

Maroussi, August 07, 2019

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