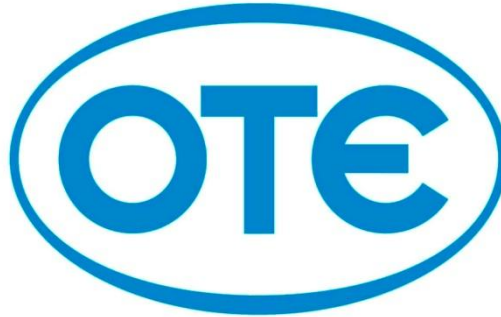


# HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



**INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)  
AS OF SEPTEMBER 30, 2012**

**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 1-27 were approved by the Board of Directors on November 7, 2012 and are signed by:

**Chairman  
& Managing Director**

**Board Member  
& Group Chief Financial  
Officer**

**OTE Chief Financial  
Officer**

**Chief Accounting Officer**

Michael Tsamaz

Babis Mazarakis

George Mavrakis

Konstantinos Vasilopoulos

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.  
REGISTRATION No S.A. 347/06/B/86/10  
99 KIFISSIAS AVE-151 24 MAROUSSI ATHENS, GREECE

**INTERIM CONDENSED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND FOR THE NINE MONTH PERIOD THEN ENDED**

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**INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)**

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		30/09/2012	31/12/2011	30/09/2012	31/12/2011
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		3,931.9	4,328.0	1,537.8	1,682.7
Goodwill		565.3	569.2	-	-
Telecommunication licenses		398.4	432.8	3.7	4.2
Other intangible assets		480.8	503.5	35.6	27.6
Investments	4	1.2	1.2	4,057.1	4,108.1
Loans and advances to pension funds		118.4	121.9	118.4	121.9
Deferred tax assets		276.2	246.2	166.0	140.5
Other non-current assets		221.4	204.5	185.7	168.2
<b>Total non-current assets</b>		<b>5,993.6</b>	<b>6,407.3</b>	<b>6,104.3</b>	<b>6,253.2</b>
<b>Current assets</b>					
Inventories		112.0	125.0	21.6	21.9
Trade receivables		904.7	928.6	483.3	495.1
Other financial assets	5	84.3	353.5	79.8	343.3
Other current assets		199.7	213.1	75.0	113.2
Restricted cash for telecommunication licenses	6	37.0	-	-	-
Cash and cash equivalents		1,003.8	683.4	353.4	156.0
<b>Total current assets</b>		<b>2,341.5</b>	<b>2,303.6</b>	<b>1,013.1</b>	<b>1,129.5</b>
Assets classified as held for sale	4	-	380.0	-	380.0
<b>TOTAL ASSETS</b>		<b>8,335.1</b>	<b>9,090.9</b>	<b>7,117.4</b>	<b>7,762.7</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Parent</b>					
Share capital	7	1,171.5	1,171.5	1,171.5	1,171.5
Share premium	7	509.5	508.0	509.5	508.0
Statutory reserve		347.2	347.2	347.2	347.2
Foreign exchange and other reserves		(242.6)	72.4	(74.3)	183.9
Changes in non-controlling interests		(3,321.5)	(3,321.5)	-	-
Retained earnings		3,126.0	2,605.9	1,163.9	934.9
<b>Total equity attributable to owners of the Parent</b>		<b>1,590.1</b>	<b>1,383.5</b>	<b>3,117.8</b>	<b>3,145.5</b>
Non-controlling interests		378.8	373.8	-	-
<b>Total equity</b>		<b>1,968.9</b>	<b>1,757.3</b>	<b>3,117.8</b>	<b>3,145.5</b>
<b>Non-current liabilities</b>					
Long-term borrowings	8	2,004.5	4,139.1	1,114.1	2,715.7
Provision for staff retirement indemnities		343.6	285.1	315.0	259.3
Provision for youth account		232.7	240.6	232.7	240.6
Deferred tax liabilities		90.3	92.8	-	-
Other non-current liabilities		81.1	74.4	27.4	23.3
<b>Total non-current liabilities</b>		<b>2,752.2</b>	<b>4,832.0</b>	<b>1,689.2</b>	<b>3,238.9</b>
<b>Current liabilities</b>					
Trade accounts payable		624.4	749.6	308.5	346.6
Short-term borrowings	8	1.8	2.0	-	-
Short-term portion of long-term borrowings	8	2,069.9	760.9	1,324.2	280.7
Income tax payable	9	36.1	15.8	-	-
Deferred revenue		215.3	234.6	233.7	237.2
Provision for voluntary leave scheme	12	152.4	166.2	152.4	166.2
Dividends payable		2.2	2.3	2.2	2.3
Other current liabilities		511.9	570.2	289.4	345.3
<b>Total current liabilities</b>		<b>3,614.0</b>	<b>2,501.6</b>	<b>2,310.4</b>	<b>1,378.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,335.1</b>	<b>9,090.9</b>	<b>7,117.4</b>	<b>7,762.7</b>



## INTERIM INCOME STATEMENT (CONSOLIDATED)

(Amounts in millions of Euro except per share data)	Notes	3 <sup>rd</sup> Quarter		First nine months	
		2012	2011	2012	2011
<b>Revenue</b>					
Domestic telephony	10	248.5	286.3	768.9	885.9
International telephony	10	36.3	45.0	113.0	121.5
Mobile telephony	10	494.4	562.9	1,485.0	1,568.9
Other revenue	10	399.6	418.3	1,181.2	1,215.9
<b>Total revenue</b>		<b>1,178.8</b>	<b>1,312.5</b>	<b>3,548.1</b>	<b>3,792.2</b>
<b>Other income/ (expense), net</b>	<b>11</b>	<b>3.9</b>	<b>0.6</b>	<b>13.8</b>	<b>6.4</b>
<b>Operating expenses</b>					
Payroll and employee benefits		(232.9)	(255.4)	(713.4)	(795.9)
Provision for staff retirement indemnities		(5.9)	(6.0)	(17.0)	(17.7)
Provision for youth account		(1.0)	(4.8)	(3.1)	(14.3)
Cost of early retirement program		-	(4.1)	-	(53.8)
Charges from international operators		(57.9)	(57.4)	(165.1)	(159.5)
Charges from domestic operators		(70.8)	(92.5)	(231.9)	(266.0)
Depreciation, amortization and impairment		(224.5)	(257.3)	(676.4)	(785.9)
Cost of telecommunications equipment/ write downs		(66.4)	(78.2)	(192.1)	(232.7)
Other operating expenses	13	(317.7)	(350.4)	(975.0)	(1,004.2)
<b>Total operating expenses</b>		<b>(977.1)</b>	<b>(1,106.1)</b>	<b>(2,974.0)</b>	<b>(3,330.0)</b>
<b>Operating profit before financial activities</b>		<b>205.6</b>	<b>207.0</b>	<b>587.9</b>	<b>468.6</b>
<b>Income and expense from financial activities</b>					
Interest expense		(66.1)	(74.9)	(188.9)	(209.8)
Interest income		3.3	6.3	11.5	17.1
Foreign exchange differences, net		6.1	(2.6)	4.9	6.1
Dividend income	4	-	-	3.9	10.4
Gains/(Losses) from investments and financial assets - Impairments	4,5	-	(0.1)	224.9	(0.3)
<b>Total profit/(loss) from financial activities</b>		<b>(56.7)</b>	<b>(71.3)</b>	<b>56.3</b>	<b>(176.5)</b>
<b>Profit before tax</b>		<b>148.9</b>	<b>135.7</b>	<b>644.2</b>	<b>292.1</b>
Income tax expense	9	(30.7)	(31.5)	(102.0)	(106.7)
<b>Profit for the period</b>		<b>118.2</b>	<b>104.2</b>	<b>542.2</b>	<b>185.4</b>
Attributable to:					
Owners of the parent		109.0	104.4	520.1	196.8
Non-controlling interests		9.2	(0.2)	22.1	(11.4)
		<b>118.2</b>	<b>104.2</b>	<b>542.2</b>	<b>185.4</b>
Basic earnings per share	14	0.2224	0.2130	1.0611	0.4015
Diluted earnings per share	14	0.2224	0.2130	1.0611	0.4015



## INTERIM INCOME STATEMENT (SEPARATE)

(Amounts in millions of Euro)	Notes	3 <sup>rd</sup> Quarter		First nine months	
		2012	2011	2012	2011
<b>Revenue</b>					
Domestic telephony	10	187.7	218.4	581.1	669.0
International telephony	10	24.6	32.4	73.4	83.9
Other revenue	10	211.5	232.7	632.6	682.0
<b>Total revenue</b>		<b>423.8</b>	<b>483.5</b>	<b>1,287.1</b>	<b>1,434.9</b>
<b>Other income/ (expense), net</b>	11	<b>0.7</b>	<b>0.7</b>	<b>1.6</b>	<b>-</b>
<b>Operating expenses</b>					
Payroll and employee benefits		(129.9)	(155.0)	(405.8)	(483.4)
Provision for staff retirement indemnities		(4.8)	(5.0)	(14.5)	(15.1)
Provision for youth account		(1.0)	(4.8)	(3.1)	(14.3)
Cost of early retirement program		-	(3.7)	-	(14.2)
Charges from international operators		(21.7)	(26.1)	(62.5)	(69.1)
Charges from domestic operators		(30.6)	(37.6)	(94.5)	(105.9)
Depreciation, amortization and impairment		(72.6)	(79.7)	(223.4)	(249.2)
Cost of telecommunications equipment/ write downs		(13.7)	(13.1)	(35.3)	(37.8)
Other operating expenses	13	(105.3)	(98.3)	(297.7)	(293.6)
<b>Total operating expenses</b>		<b>(379.6)</b>	<b>(423.3)</b>	<b>(1,136.8)</b>	<b>(1,282.6)</b>
<b>Operating profit before financial activities</b>		<b>44.9</b>	<b>60.9</b>	<b>151.9</b>	<b>152.3</b>
<b>Income and expense from financial activities</b>					
Interest expense		(44.8)	(49.7)	(129.8)	(125.0)
Interest income		1.7	3.5	6.7	8.8
Foreign exchange differences, net		(0.3)	-	(0.3)	1.7
Dividend income	4	0.7	-	4.6	11.6
Gain/(Losses) from investments and financial assets- Impairments	4,5	-	(0.2)	224.9	(0.4)
<b>Total profit/(loss) from financial activities</b>		<b>(42.7)</b>	<b>(46.4)</b>	<b>106.1</b>	<b>(103.3)</b>
<b>Profit before tax</b>		<b>2.2</b>	<b>14.5</b>	<b>258.0</b>	<b>49.0</b>
Income tax expense	9	(3.6)	(5.9)	(29.0)	(36.1)
<b>Profit/(loss) for the period</b>		<b>(1.4)</b>	<b>8.6</b>	<b>229.0</b>	<b>12.9</b>



## INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

(Amounts in millions of Euro)	Notes	3 <sup>rd</sup> Quarter		First nine months	
		2012	2011	2012	2011
<b>Profit for the period</b>		<b>118.2</b>	<b>104.2</b>	<b>542.2</b>	<b>185.4</b>
Foreign currency translation		(33.3)	(50.8)	(73.4)	(39.7)
Actuarial gains/ (losses)		(16.1)	(9.1)	(57.6)	5.6
Deferred taxes on actuarial gains/ (losses)		3.0	-	10.9	(3.4)
Net movement in available for sale financial assets	4,5	0.1	215.0	(225.6)	215.0
Deferred taxes on net movement in available for sale financial assets	4	-	(11.6)	13.6	(11.6)
<b>Other comprehensive income / (loss) for the period</b>		<b>(46.3)</b>	<b>143.5</b>	<b>(332.1)</b>	<b>165.9</b>
<b>Total comprehensive income for the period</b>		<b>71.9</b>	<b>247.7</b>	<b>210.1</b>	<b>351.3</b>
<b>Attributable to:</b>					
Owners of the parent		69.3	261.0	205.1	370.5
Non-controlling interests		2.6	(13.3)	5.0	(19.2)
		<b>71.9</b>	<b>247.7</b>	<b>210.1</b>	<b>351.3</b>

## INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

(Amounts in millions of Euro)	Notes	3 <sup>rd</sup> Quarter		First nine months	
		2012	2011	2012	2011
<b>Profit/(loss) for the period</b>		<b>(1.4)</b>	<b>8.6</b>	<b>229.0</b>	<b>12.9</b>
Actuarial gains/ (losses)		(16.1)	(11.3)	(57.6)	3.4
Deferred taxes on actuarial gains/ (losses)		3.0	2.2	10.9	(1.2)
Net movement in available for sale financial assets	4,5	0.1	215.0	(225.1)	215.0
Deferred taxes on net movement in available for sale financial assets	4	-	(11.6)	13.6	(11.6)
<b>Other comprehensive income / (loss) for the period</b>		<b>(13.0)</b>	<b>194.3</b>	<b>(258.2)</b>	<b>205.6</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>(14.4)</b>	<b>202.9</b>	<b>(29.2)</b>	<b>218.5</b>



**INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)**

(Amounts in millions of Euro)	Attributed to owners of the parent						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings			
<b>Balance as at January 1, 2011</b>	<b>1,171.5</b>	<b>510.6</b>	<b>347.2</b>	<b>(147.3)</b>	<b>(3,321.5)</b>	<b>2,539.1</b>	<b>1,099.6</b>	<b>553.0</b>	<b>1,652.6</b>
Profit/(loss) for the period	-	-	-	-	-	196.8	196.8	(11.4)	185.4
Other comprehensive income / (loss)	-	-	-	173.7	-	-	173.7	(7.8)	165.9
<b>Total comprehensive income / (loss)</b>	-	-	-	<b>173.7</b>	-	<b>196.8</b>	<b>370.5</b>	<b>(19.2)</b>	<b>351.3</b>
Dividends	-	-	-	-	-	(57.8)	(57.8)	(43.7)	(101.5)
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	-	4.9	4.9	-	4.9
Share-based payments	-	2.9	-	-	-	-	2.9	-	2.9
<b>Balance as at September 30, 2011</b>	<b>1,171.5</b>	<b>513.5</b>	<b>347.2</b>	<b>26.4</b>	<b>(3,321.5)</b>	<b>2,683.0</b>	<b>1,420.1</b>	<b>490.1</b>	<b>1,910.2</b>
<b>Balance as at January 1, 2012</b>	<b>1,171.5</b>	<b>508.0</b>	<b>347.2</b>	<b>72.4</b>	<b>(3,321.5)</b>	<b>2,605.9</b>	<b>1,383.5</b>	<b>373.8</b>	<b>1,757.3</b>
Profit for the period	-	-	-	-	-	520.1	520.1	22.1	542.2
Other comprehensive income / (loss)	-	-	-	(315.0)	-	-	(315.0)	(17.1)	(332.1)
<b>Total comprehensive income / (loss)</b>	-	-	-	<b>(315.0)</b>	-	<b>520.1</b>	<b>205.1</b>	<b>5.0</b>	<b>210.1</b>
Share-based payments	-	1.5	-	-	-	-	1.5	-	1.5
<b>Balance as at September 30, 2012</b>	<b>1,171.5</b>	<b>509.5</b>	<b>347.2</b>	<b>(242.6)</b>	<b>(3,321.5)</b>	<b>3,126.0</b>	<b>1,590.1</b>	<b>378.8</b>	<b>1,968.9</b>



## INTERIM STATEMENT OF CHANGES IN EQUITY (SEPARATE)

(Amounts in millions of Euro)	Share Capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Total equity
<b>Balance as at January 1, 2011</b>	<b>1,171.5</b>	<b>510.6</b>	<b>347.2</b>	<b>(60.1)</b>	<b>1,401.2</b>	<b>3,370.4</b>
Profit for the period	-	-	-	-	12.9	12.9
Other comprehensive income	-	-	-	205.6	-	205.6
<b>Total comprehensive income</b>	-	-	-	<b>205.6</b>	<b>12.9</b>	<b>218.5</b>
Dividends	-	-	-	-	(57.8)	(57.8)
Withholding tax related to dividend paid out of dividend income subject to withholding tax	-	-	-	-	4.9	4.9
Share-based payments	-	2.9	-	-	-	2.9
<b>Balance as at September 30, 2011</b>	<b>1,171.5</b>	<b>513.5</b>	<b>347.2</b>	<b>145.5</b>	<b>1,361.2</b>	<b>3,538.9</b>
<b>Balance as at January 1, 2012</b>	<b>1,171.5</b>	<b>508.0</b>	<b>347.2</b>	<b>183.9</b>	<b>934.9</b>	<b>3,145.5</b>
Profit for the period	-	-	-	-	229.0	229.0
Other comprehensive income / (loss)	-	-	-	(258.2)	-	(258.2)
<b>Total comprehensive income / (loss)</b>	-	-	-	<b>(258.2)</b>	<b>229.0</b>	<b>(29.2)</b>
Share-based payments	-	1.5	-	-	-	1.5
<b>Balance as at September 30, 2012</b>	<b>1,171.5</b>	<b>509.5</b>	<b>347.2</b>	<b>(74.3)</b>	<b>1,163.9</b>	<b>3,117.8</b>





**INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)**

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01-30/09/2012	01/01-30/09/2011	01/01-30/09/2012	01/01-30/09/2011
<b>Cash flows from operating activities</b>					
Profit before tax		644.2	292.1	258.0	49.0
Adjustments for:					
Depreciation, amortization and impairment		676.4	785.9	223.4	249.2
Share-based payment	17	1.5	2.9	0.5	0.8
Cost of early retirement program		-	53.8	-	14.2
Provision for staff retirement indemnities		17.0	17.7	14.5	15.1
Provision for youth account		3.1	14.3	3.1	14.3
Write down of inventories		5.7	5.2	-	-
Provision for doubtful accounts	13	96.1	106.0	19.4	21.0
Foreign exchange differences, net		(4.9)	(6.1)	0.3	(1.7)
Interest income		(11.5)	(17.1)	(6.7)	(8.8)
Dividend income	4	(3.9)	(10.4)	(4.6)	(11.6)
(Gains) / Losses from investments and financial assets - Impairments	4,5	(224.9)	0.3	(224.9)	0.4
Release of EDEKT fund prepayment		-	26.4	-	26.4
Interest expense		188.9	209.8	129.8	125.0
Working capital adjustments:					
Decrease / (increase) in inventories		7.3	5.1	0.3	(2.2)
Decrease / (increase) in accounts receivable		(101.4)	(38.7)	(13.1)	(10.1)
(Decrease) in liabilities (except borrowings)		(93.5)	(78.3)	(51.6)	(60.5)
Plus / (Minus):					
Payment for early retirement programs and voluntary leave scheme	12	(18.3)	(99.9)	(18.0)	(60.7)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(35.3)	(64.4)	(35.3)	(62.8)
Interest and related expenses paid		(231.5)	(261.9)	(162.5)	(170.7)
Income taxes paid		(82.9)	(133.7)	(24.0)	(19.0)
<b>Net cash flows from / (used in) operating activities</b>		<b>832.1</b>	<b>809.0</b>	<b>108.6</b>	<b>107.3</b>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiary and business units net of cash acquired		-	(11.2)	-	-
Purchase of financial assets	5	(720.1)	(68.5)	(677.4)	(68.3)
Sale or maturity of financial assets	5	982.8	-	940.7	-
Repayments of loans receivable		7.7	7.3	7.7	7.3
Purchase of property plant and equipment and intangible assets		(326.3)	(473.9)	(87.6)	(126.9)
Restricted cash for telecommunication licenses	6	(37.0)	-	-	-
Proceeds from disposal of assets held for sale	4	380.0	-	380.0	-
Interest received		13.1	11.6	6.4	8.8
Dividends received	4	20.9	5.2	20.9	5.2
Return of capital invested in subsidiaries		-	-	52.0	82.0
<b>Net cash flows from / (used in) investing activities</b>		<b>321.1</b>	<b>(529.5)</b>	<b>642.7</b>	<b>(91.9)</b>
<b>Cash flows from financing activities</b>					
Proceeds from loans granted and issued	8	312.6	1,742.0	310.8	1,742.0
Repayment of loans	8	(1,134.8)	(1,852.5)	(864.6)	(1,548.7)
Dividends paid to Company's owners		(0.1)	(52.9)	(0.1)	(52.9)
Dividends paid to non-controlling interests		-	(43.7)	-	-
<b>Net cash flows from / (used in) financing activities</b>		<b>(822.3)</b>	<b>(207.1)</b>	<b>(553.9)</b>	<b>140.4</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>330.9</b>	<b>72.4</b>	<b>197.4</b>	<b>155.8</b>
<b>Cash and cash equivalents, at the beginning of the period</b>		<b>683.4</b>	<b>1,004.3</b>	<b>156.0</b>	<b>189.0</b>
Net foreign exchange differences		(10.5)	(4.7)	-	-
<b>Cash and cash equivalents, at the end of the period</b>		<b>1,003.8</b>	<b>1,072.0</b>	<b>353.4</b>	<b>344.8</b>



## 1. CORPORATE INFORMATION

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

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

Effective February 6, 2009, the financial statements are included in the consolidated financial statements of DEUTSCHE TELEKOM AG (full consolidation method), which has its registered office in Germany and as of September 30, 2012 holds a 40.00% 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 September 30, 2012, were approved for issuance by the Board of Directors on November 7, 2012.

The total numbers of Group and Company employees as of September 30, 2012 and 2011 were as follows:

	GROUP	COMPANY
September 30, 2012	29,019	10,436
September 30, 2011	28,917	10,742

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

COMPANY NAME	LINE OF BUSINESS	COUNTRY	30/09/2012	31/12/2011
			GROUP’S OWNERSHIP INTEREST	
COSMOTE MOBILE TELECOMMUNICATIONS S.A. (“COSMOTE”)	Mobile telecommunications services	Greece	100.00%	100.00%
OTE INTERNATIONAL INVESTMENTS LTD	Investment holding company	Cyprus	100.00%	100.00%
HELLAS SAT CONSORTIUM LIMITED (“HELLAS-SAT”)	Satellite communications	Cyprus	99.05%	99.05%
COSMO-ONE HELLAS MARKET SITE S.A. (“COSMO-ONE”)	E-commerce services	Greece	61.74%	61.74%
VOICENET S.A. (“VOICENET”)	Telecommunications services	Greece	100.00%	100.00%
HELLASCOM S.A. (“HELLASCOM”)	Telecommunication projects	Greece	100.00%	100.00%
OTE PLC	Financing services	U.K.	100.00%	100.00%
OTE SAT-MARITEL S.A. (“OTE SAT – MARITEL”)	Satellite telecommunications services	Greece	94.08%	94.08%
OTE PLUS TECHNICAL AND BUSINESS SOLUTIONS S.A. – SECURITY SERVICES (“OTE PLUS”)	Consulting and security services	Greece	100.00%	100.00%
DIERGASIA ENERGY TECHNICAL COMMERCIAL S.A. – GENERAL CONSTRUCTION COMPANY (“DIERGASIA”)	Consulting services	Greece	100.00%	100.00%
OTE ESTATE S.A. (“OTE ESTATE”)	Real estate	Greece	100.00%	100.00%
OTE INTERNATIONAL SOLUTIONS S.A. (“OTE-GLOBE”)	Wholesale telephony services	Greece	100.00%	100.00%
HATWAVE HELLENIC-AMERICAN TELECOMMUNICATIONS WAVE LTD. (“HATWAVE”)	Investment holding company	Cyprus	52.67%	52.67%
OTE INSURANCE AGENCY S.A. (“OTE INSURANCE”)	Insurance brokerage services	Greece	100.00%	100.00%
OTE ACADEMY S.A. (“OTE ACADEMY”)	Training services	Greece	100.00%	100.00%
ROMTELECOM S.A. (“ROMTELECOM”)	Fixed line telephony services	Romania	54.01%	54.01%
NEXTGEN COMMUNICATIONS SRL (“NEXTGEN”)	Telecommunications services	Romania	54.01%	54.01%
S.C. COSMOTE ROMANIAN MOBILE TELECOMMUNICATIONS S.A. (“COSMOTE ROMANIA”)	Mobile telecommunications services	Romania	86.20%	86.20%
COSMO BULGARIA MOBILE EAD (“GLOBUL”)	Mobile telecommunications services	Bulgaria	100.00%	100.00%



COMPANY NAME	LINE OF BUSINESS	COUNTRY	30/09/2012	31/12/2011
			GROUP'S OWNERSHIP INTEREST	
COSMO-HOLDING ALBANIA S.A. ("CHA")	Investment holding company	Greece	97.00%	97.00%
ALBANIAN MOBILE COMMUNICATIONS Sh.a ("AMC")	Mobile telecommunications services	Albania	97.21%	97.21%
COSMOHOLDING CYPRUS LTD ("COSMOHOLDING CYPRUS")	Investment holding company	Cyprus	100.00%	100.00%
GERMANOS S.A. ("GERMANOS")	Retail services	Greece	100.00%	100.00%
E-VALUE S.A.	Marketing services	Greece	100.00%	100.00%
GERMANOS TELECOM ROMANIA S.A.	Retail services	Romania	100.00%	100.00%
SUNLIGHT ROMANIA S.R.L. FILIALA	Retail services	Romania	100.00%	100.00%
GERMANOS TELECOM BULGARIA A.D.	Retail services	Bulgaria	100.00%	100.00%
MOBILBEEEP LTD	Retail services	Greece	100.00%	100.00%
OTE PROPERTIES	Real estate	Greece	100.00%	100.00%
HELLAS SAT S.A.	Satellite communications	Greece	99.05%	99.05%
OTE INVESTMENT SERVICES S.A.	Investment holding company	Greece	100.00%	100.00%
COSMOHOLDING ROMANIA LTD	Investment holding company	Cyprus	100.00%	100.00%
TELEMOBIL S.A. ("ZAPP")	Mobile telecommunications services	Romania	100.00%	100.00%
E-VALUE DEBTORS AWARENESS ONE PERSON LTD ("E-VALUE LTD")	Overdue accounts management	Greece	100.00%	100.00%

## 2. BASIS OF PREPARATION

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

These interim financial statements do not include all the information required in the annual financial statements and they should be read in conjunction with the annual audited financial statements as of December 31, 2011, which are available on the Company's website: <http://www.ote.gr>

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

This financial information has been prepared on the basis that the Group operates as a going concern which implies that it has sufficient financial resources to meet its financial and operating obligations for the foreseeable future. On the basis that the Group possesses cash, cash equivalents and highly liquid bonds which, along with the operating cash flows that are expected to be generated and the result of the further financing initiatives that are being considered could allow the Group to meet its debt obligations over the next 18 months.

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, 2011.

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, 2011 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following amended IFRS which became effective for the accounting periods beginning January 1, 2012, noted below:

- IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets
- IAS 12 (Amendment) "Income Taxes"



The adoption of the above amended IFRS did not have an impact on the financial statements or performance of the Group or the Company.

#### New pronouncements and amendments

The following new and amended IFRS and IFRIC interpretations have been issued but are not effective for the financial year beginning January 1, 2012. They have not been early adopted and the Group and the Company are in the process of assessing their impact, if any, on the financial statements:

- **IAS 1 (Amendment) “Presentation of Financial Statements”** (effective for annual periods beginning on or after July 1, 2012). The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.
- **IAS 19 (Amendment) “Employee Benefits”** (effective for annual periods beginning on or after January 1, 2013). This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits.
- **IFRS 9 “Financial Instruments”** (effective for annual periods beginning on or after January 1, 2015). IFRS 9 is the first phase of the International Accounting Standards Board’s (“IASB”) project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. This standard has not yet been endorsed by the EU.
- **IFRS 13 “Fair Value Measurement”** (effective for annual periods beginning on or after January 1, 2013). IFRS 13 provides new guidance on fair value measurement and disclosure requirements. This standard has not yet been endorsed by the EU.
- **IFRIC 20 “Stripping costs in the production phase of a surface mine”** (effective for annual periods beginning on or after January 1, 2013). This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation does not apply to the Group and the Company. This interpretation has not yet been endorsed by the EU.
- **IFRS 7 (Amendment) “Financial Instruments: Disclosures”** (effective for annual periods beginning on or after January 1, 2013). The IASB has published this amendment to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognized financial assets and recognized financial liabilities, on the entity’s financial position. This amendment has not yet been endorsed by the EU.
- **IAS 32 (Amendment) “Financial Instruments: Presentation”** (effective for annual periods beginning on or after January 1, 2014). This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment has not yet been endorsed by the EU.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after January 1, 2013). The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU:

- **IFRS 10 “Consolidated Financial Statements”** replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.
- **IFRS 11 “Joint Arrangements”**. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.
- **IFRS 12 “Disclosure of Interests in Other Entities”** requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.



- **IFRS 10, IFRS 11 and IFRS 12 (Amendment) “Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance”.** The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.
- **IAS 27 (Amendment) “Separate Financial Statements”.** This standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 “Consolidated and Separate Financial Statements”. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the IASB relocated to IAS 27 requirements from IAS 28 “Investments in Associates” and IAS 31 “Interests in Joint Ventures” regarding separate financial statements.
- **IAS 28 (Amendment) “Investments in Associates and Joint Ventures”** replaces IAS 28 “Investments in Associates”. The objective of this standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

Amendments to standards that form part of the IASB’s 2011 annual improvements project. The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB’s annual improvements project. These amendments are effective for annual periods beginning on or after January 1, 2013 and have not yet been endorsed by the EU:

- **IAS 1 “Presentation of financial statements”.** The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 “Accounting policies, changes in accounting estimates and errors” or (b) voluntarily.
- **IAS 16 “Property, plant and equipment”.** The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.
- **IAS 32 “Financial instruments: Presentation”.** The amendment clarifies that income tax related to distributions is recognized in the income statement and income tax related to the costs of equity transactions is recognized in equity, in accordance with IAS 12.
- **IAS 34, ‘Interim financial reporting’.** The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 “Operating segments”.

#### 4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/09/2012	31/12/2011	30/09/2012	31/12/2011
(a) Investments in subsidiaries	-	-	4,055.9	4,106.9
(b) Other investments	1.2	1.2	1.2	1.2
<b>TOTAL</b>	<b>1.2</b>	<b>1.2</b>	<b>4,057.1</b>	<b>4,108.1</b>





(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	30/09/2012	31/12/2011
COSMOTE	100.00%	Greece	3,084.7	3,083.7
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	401.9	453.9
HELLAS-SAT	99.05%	Cyprus	194.7	194.7
COSMO-ONE	30.87%	Greece	0.5	0.5
VOICENET	100.00%	Greece	3.1	3.1
HELLASCOM	100.00%	Greece	4.4	4.4
OTE SAT- MARITEL	94.08%	Greece	4.6	4.6
OTE PLC	100.00%	U.K.	-	-
OTE PLUS	100.00%	Greece	3.8	3.8
OTE ESTATE	100.00%	Greece	193.2	193.2
OTE GLOBE	100.00%	Greece	163.7	163.7
OTE INSURANCE	100.00%	Greece	0.1	0.1
OTE ACADEMY	100.00%	Greece	1.2	1.2
<b>TOTAL</b>			<b>4,055.9</b>	<b>4,106.9</b>

#### SHARE OPTION PLAN

OTE has implemented a Share Option Plan (see Note 17) for executives, including executives of COSMOTE group. The Share Option Plan grants to these executives the opportunity, subject to vesting conditions, to purchase OTE's shares at a potentially preferential purchase price. COSMOTE's related expense for the Share Option Plan for the first nine months of 2012 is Euro 1.0 and in OTE's separate financial statements has been recorded in equity with an equal increase of the carrying value of OTE's investment in COSMOTE.

#### CAPITAL REDUCTION OF SUBSIDIARY

In July 2012, OTE received from its subsidiary OTE INTERNATIONAL INVESTMENTS LTD an amount of Euro 52.0, arising from its share capital reduction, reducing the carrying value of its investment by the equivalent amount.

#### ASSETS CLASSIFIED AS HELD FOR SALE

##### TELEKOM SRBIJA

As of December 31, 2011, OTE had proceeded to re-value its investment in TELEKOM SRBIJA at a value of Euro 380.0, representing the fair value of its share in TELEKOM SRBIJA. Thus, an amount of Euro 224.9 representing the fair value gain (before the corresponding deferred tax of Euro 13.6) was recognized in the "Other comprehensive income" line in the statement of comprehensive income of 2011. Furthermore, the investment in TELEKOM SRBIJA was classified as held-for-sale, as the criteria of IFRS 5 for such classification were met as of December 31, 2011.

On January 25, 2012, the sale of OTE's 20% entire stake in TELEKOM SRBIJA was completed. According to the Share Purchase Agreement that had been signed on December 30, 2011, OTE received Euro 397.0 in total, out of which Euro 380.0 represent the selling price and Euro 17.0 represent the interim dividend of the fiscal year 2011. The amount of Euro 224.9 representing the gain from the sale (before the corresponding income tax of Euro 13.6) was reclassified from other comprehensive income to the consolidated and separate income statement of the first nine months of 2012 in the line "Gains from investments and financial assets". In April 2012, OTE received an additional amount of Euro 3.9 since its final dividend for the fiscal year 2011, as declared by the Annual General Assembly of TELEKOM SRBIJA, amounted to Euro 20.9. The corresponding withholding tax on dividend income was Euro 3.1.

The Group's dividend income is analyzed as follows:

	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
TELEKOM SRBIJA	-	-	3.9	10.4
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3.9</b>	<b>10.4</b>

OTE's dividend income is analyzed as follows:

	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
OTE SAT- MARITEL	0.7	-	0.7	1.2
TELEKOM SRBIJA	-	-	3.9	10.4
<b>TOTAL</b>	<b>0.7</b>	<b>-</b>	<b>4.6</b>	<b>11.6</b>



## 5. OTHER FINANCIAL ASSETS

Other financial assets are analyzed as follows:

	GROUP		COMPANY	
	30/09/2012	31/12/2011	30/09/2012	31/12/2011
<b>Marketable securities:</b>				
Held for trading - Bonds	3.3	3.5	-	-
Available for sale - Bonds	78.1	341.7	78.1	341.7
Available for sale - Mutual funds	2.9	2.8	1.7	1.6
<b>Non - marketable securities:</b>				
Available for sale - Securities	-	5.5	-	-
<b>TOTAL</b>	<b>84.3</b>	<b>353.5</b>	<b>79.8</b>	<b>343.3</b>

The available for sale bonds consist of short term highly rated government bonds maturing by October 2012.

The movement of other financial assets can be analyzed as follows:

	01/01-30/09/2012	
	GROUP	COMPANY
Balance at the beginning of the period	353.5	343.3
Additions	720.1	677.4
Sales - maturities	(982.8)	(940.7)
Transfer to other non-current assets	(5.6)	-
Foreign exchange differences	(0.2)	-
Fair value adjustments through other comprehensive income	(0.7)	(0.2)
<b>Balance at the end of the period</b>	<b>84.3</b>	<b>79.8</b>

## 6. RESTRICTED CASH FOR TELECOMMUNICATION LICENSES

On August 6, 2012, COSMOTE ROMANIA issued Letters of Guarantee in favor of National Authority for Management and Regulation in Communications ("ANCOM") to secure the participation of COSMOTE ROMANIA to the upcoming spectrum auction in Romania. The auction was about the renewal of existing GSM licenses. Therefore, an amount of Euro 37.0 has been used as cash collateral and in this respect it has been reflected as restricted cash for telecommunication licenses in the consolidated statement of financial position.

Following the spectrum auction held by ANCOM on September 24, 2012, COSMOTE ROMANIA won 1 block in the 800 MHz band, 2 blocks in the 900 MHz band, 5 blocks in the 1800 MHz band and 2 blocks in the 2600 MHz (FDD) band, valid from 2014 through 2029, for a total consideration of Euro 179.9, standing for the license fee. COSMOTE ROMANIA has to pay an amount of Euro 52.0 in November 2012 and an amount of Euro 127.9 up to June 2013.

The above mentioned restricted cash for telecommunication licenses of Euro 37.0, will remain blocked in COSMOTE ROMANIA's respective bank accounts until the final payment of the spectrum value to ANCOM and will continue to be interest bearing for COSMOTE ROMANIA.

## 7. SHARE CAPITAL - SHARE PREMIUM

OTE's share capital as of September 30, 2012 and December 31, 2011, amounted to Euro 1,171.5, divided into 490,150,389 registered shares, with a nominal value of Euro 2.39 (absolute amount) per share. The share premium as of September 30, 2012 and as of December 31, 2011 amounted to Euro 509.5 and Euro 508.0, respectively, the increase (Euro 1.5) being the amount charged to the consolidated income statement of the first nine months of 2012 under the Group's share option plan (Note 17).

The following is an analysis of the ownership of OTE's shares as of September 30, 2012:

Shareholder	Number of shares	Percentage %
Hellenic State	29,409,027	6.00%
IKA-ETAM (refers only to the transfer of 4% from the Hellenic State)	19,606,015	4.00%
DEUTSCHE TELEKOM AG	196,060,156	40.00%
Institutional investors	190,004,088	38.76%
Private investors	55,071,103	11.24%
<b>TOTAL</b>	<b>490,150,389</b>	<b>100.00%</b>



## 8. LONG-TERM AND SHORT-TERM BORROWINGS

### LONG -TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/09/2012	31/12/2011
(a) Syndicated loans	898.1	1,651.1
(b) Global Medium-Term Note Program	3,174.3	3,244.9
(c) Other bank loans	2.0	4.0
<b>Total long-term debt</b>	<b>4,074.4</b>	<b>4,900.0</b>
Short-term portion	(2,069.9)	(760.9)
<b>Long-term portion</b>	<b>2,004.5</b>	<b>4,139.1</b>

#### (a) Syndicated loans

##### Euro 900.0 Revolving Credit Facility (Bond Loan)

In April 2012, OTE prepaid an amount of Euro 300.0 in aggregate, which remained committed and could be redrawn. On June 1, 2012, OTE redrew the above amount.

As of September 30, 2012 the outstanding balance of this syndicated loan is Euro 898.1. As this loan matures within twelve months from the financial position date, it has been reclassified to the short-term portion of long-term borrowings.

##### Euro 850.0 Syndicated Facility

On July 30, 2012, OTE PLC proceeded with the prepayment of the remaining outstanding amount of Euro 311.7 under the Revolving Credit Facility maturing in September 2012, along with the payment of the accrued interest.

On July 31, 2012 OTE PLC proceeded with the prepayment of the remaining outstanding amount of Euro 445.2 under the Term Loan maturing in September 2012, along with the payment of the accrued interest.

The Euro 850.0 Syndicated Facility matured on September 3, 2012.

#### (b) Global Medium-Term Note Programme

On August 5, 2012, the Euro 1,250.0 notes (initial nominal value) issued by OTE PLC, maturing on August 5, 2013, were reclassified from "Long-term borrowings" into "Short-term portion of long-term borrowings".

In June, August and September 2012, OTE PLC proceeded with partial repurchases of a total nominal amount of Euro 73.9 under these Notes, along with the payment of accrued interest.

Hence, the outstanding balance of this liability as of September 30, 2012 amounted to Euro 1,169.7.

#### (c) Other bank loans

During 2012, ROMTELECOM repaid loans of Euro 2.0.

COMPANY	30/09/2012	31/12/2011
(a) Syndicated loans	898.1	894.2
(b) Intercompany loans from OTE PLC	1,540.2	2,102.2
<b>Total long-term debt</b>	<b>2,438.3</b>	<b>2,996.4</b>
Short-term portion	(1,324.2)	(280.7)
<b>Long-term portion</b>	<b>1,114.1</b>	<b>2,715.7</b>

#### (a) Syndicated loans

##### Euro 900.0 Revolving Credit Facility (Bond Loan)

In April 2012, OTE prepaid an amount of Euro 300.0 in aggregate, which remained committed and could be redrawn. On June 1, 2012, OTE redrew the above amount.

As of September 30, 2012 the outstanding balance of this syndicated loan is Euro 898.1. As this loan matures within twelve months from the financial position date, it has been reclassified to the short-term portion of long-term borrowings.

#### (b) Intercompany loans from OTE PLC

The Euro 280.7 Revolving Facility matured on September 3, 2012. The outstanding amount of Euro 280.7 had been prepaid on June 7, 2012, along with the payment of accrued interest.

On August 1, 2012, the Euro 1,118.0 intercompany loan (initial nominal value) from OTE PLC, maturing on August 1, 2013, was reclassified from "Long-term borrowings" into "Short-term portion of long-term borrowings".





## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND FOR THE NINE MONTH PERIOD THEN ENDED

In June, August and September 2012, OTE proceeded with partial prepayments of a total nominal amount of Euro 283.9 under the intercompany loan maturing in August 2013, along with the payment of accrued interest. Hence, the outstanding balance of this loan as of September 30, 2012 amounted to Euro 426.1.

### Interest rate swaps

In April 2011, OTE converted the Euro 500.0 fixed rate loan into floating via interest rate swap agreements. The swaps have been designated as fair value hedges both on parent company and group level. The fair value of the above mentioned swaps as of September 30, 2012, is Euro 22.4 (December 31, 2011: Euro 24.3).

During the first nine months of 2012, OTE received additional collateral of total Euro 10.8 under the existing Credit Support Annex (CSA) to the ISDA Agreements related to the swaps. This inflow is presented in the statement of cash flows in "Proceeds from loans granted and issued".

### SHORT - TERM BORROWINGS

The outstanding balance of short-term borrowings as of September 30, 2012, for the Group amounted to Euro 1.8 (December 31, 2011: Euro 2.0). This amount represents an overdraft balance drawn by OTE PLUS. During the first nine months of 2012, COSMOTE's subsidiary E-VALUE repaid loans of an amount of Euro 2.0.

## 9. INCOME TAXES

In accordance with the Greek tax regulations, the income tax rate is 20% for 2011 onwards.

Greek tax regulations and related clauses are subject to interpretation by the tax authorities and administrative courts of law.

Tax returns are filed annually. With respect to the financial years up to and including 2010, the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the tax payer and a final assessment is issued. From the financial year 2011 and onwards, the tax returns are subject to the audit tax certificate process (described below). Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated.

Under Greek tax regulations, an income tax advance calculation on each year's current income tax liability is paid to the tax authorities. Such advance is then netted off with the following year's income tax liability. Any excess advance amounts are refunded to the companies following a tax examination.

Furthermore, a 25% withholding tax is imposed on profits distributed by Greek entities which will be borne by the beneficiary and applies to the distribution of profits approved after January 1, 2012. This tax is withheld by the entity which distributes its profits and exhausts the tax liability of the beneficiaries. Withholding tax shall not be imposed on dividends paid to a legal entity established in another Member State of the EU, subject to the conditions of L.2578/1998 (Parent-Subsidiary Directive). In cases of a group whereby an EU parent owns a Greek company, which on its turn owns a Greek subsidiary, the tax that has been withheld upon distribution by the Greek subsidiary to its Greek parent is refunded to the Greek parent when it distributes on its turn a dividend to its EU parent.

### Audit tax certificate

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days from the end of the seventh month following the end of the financial year. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a "Tax Compliance Report" has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

For the Greek companies of the Group, the "Tax Compliance Report" for the financial year 2011 has been issued and submitted with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the annual financial statements for 2011. According to the relevant legislation, the financial year 2011 will be considered final for tax audit purposes after eighteen months from the submission of the "Tax Compliance Report" to the Ministry of Finance.



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND FOR THE NINE MONTH PERIOD THEN ENDED

Unaudited tax years

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

COMPANY	Open Tax Years
OTE	From 2009
COSMOTE	From 2010
OTE INTERNATIONAL INVESTMENTS LTD	From 2010
HELLAS SAT	From 2008
COSMO-ONE	From 2010
VOICENET	From 2004
HELLASCOM	From 2010
OTE PLC	From 2005
OTE SAT-MARITEL	From 2007
OTE PLUS	From 2010
OTE ESTATE	From 2008
OTE-GLOBE	From 2010
OTE INSURANCE	From 2010
OTE ACADEMY	From 2010
HATWAVE	From 1996
OTE INVESTMENT SERVICES S.A.	From 2010
ROMTELECOM	From 2006
NEXTGEN	From 2008
AMC	From 2011
GLOBUL	From 2005
COSMOTE ROMANIA	From 2007
GERMANOS	From 2010
E-VALUE S.A.	From 2010
GERMANOS TELECOM ROMANIA S.A.	From 2007
SUNLIGHT ROMANIA S.R.L. FILIALA	From 2007
GERMANOS TELECOM BULGARIA A.D.	From 2010
MOBILBEEEP LTD	From 2005
HELLAS SAT S.A.	From 2010
CHA	From 2007
COSMO-HOLDING CYPRUS	From 2006
COSMOHOLDING ROMANIA LTD	From 2009 (incorporation)
ZAPP	From 2009
OTE PROPERTIES	From 2008 (incorporation)
E-VALUE LTD	From 2010 (incorporation)

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

- OTE INVESTMENT SERVICES S.A. has settled the unaudited years 2005-2009 according to L. 3888/2010 and the impact to the Group amounted to Euro 0.2.
- GERMANOS TELECOM ROMANIA S.A. has settled the unaudited tax years 2003 – 2006 and SUNLIGHT ROMANIA S.R.L. FILIALA has settled the unaudited tax years 2005 – 2006 without any impact to the Group.
- AMC has settled the unaudited tax year of 2010 without any impact to the Group.

The major components of income tax expense are as follows:

GROUP	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
Current income tax	31.0	33.9	109.9	88.8
Tax on dividends (Law 3697/2008 & Law 3943/2011)	-	-	-	0.2
Differences arising from tax audits	-	-	0.2	1.4
Deferred income tax - Effect due to change in the income tax rate	-	-	-	18.3
Deferred income tax	(0.3)	(2.4)	(8.1)	(2.0)
<b>Total income tax</b>	<b>30.7</b>	<b>31.5</b>	<b>102.0</b>	<b>106.7</b>



COMPANY	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
Current income tax	2.1	1.4	30.0	13.2
Tax on dividends (Law 3697/2008 & Law 3943/2011)	-	-	-	0.2
Deferred income tax - Effect due to change in the income tax rate	-	-	-	13.9
Deferred income tax	1.5	4.5	(1.0)	8.8
<b>Total income tax</b>	<b>3.6</b>	<b>5.9</b>	<b>29.0</b>	<b>36.1</b>

Income tax payable for the Group and the Company as of September 30, 2012 amounted to Euro 36.1 and Euro nil, respectively.

## 10. REVENUE

Revenue is analyzed as follows:

GROUP	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
<b>DOMESTIC TELEPHONY</b>				
Monthly network service fees	143.0	156.8	437.3	489.7
Local and long-distance calls				
-Fixed to fixed	63.1	81.6	202.4	253.0
-Fixed to mobile	28.9	32.4	88.8	95.4
	92.0	114.0	291.2	348.4
Other	13.5	15.5	40.4	47.8
	<b>248.5</b>	<b>286.3</b>	<b>768.9</b>	<b>885.9</b>
<b>INTERNATIONAL TELEPHONY</b>				
International traffic	12.8	15.5	38.3	46.3
Dues from mobile operators	9.9	8.9	24.7	23.2
Dues from international operators	13.6	20.6	50.0	52.0
	<b>36.3</b>	<b>45.0</b>	<b>113.0</b>	<b>121.5</b>
<b>MOBILE TELEPHONY</b>	<b>494.4</b>	<b>562.9</b>	<b>1,485.0</b>	<b>1,568.9</b>
<b>OTHER REVENUE</b>				
Prepaid cards	4.6	5.5	13.4	15.4
Leased lines and Data ATM communications	71.5	81.9	216.9	238.7
Integrated Services Digital Network (ISDN)	26.1	29.5	81.0	90.3
Sales of telecommunication equipment	80.7	86.5	222.5	249.0
Internet/ ADSL	74.1	74.3	223.5	223.8
Co-location / Local Loop	51.7	52.3	156.6	151.7
Metro Ethernet & IP CORE	12.3	12.4	37.2	34.5
Provision for services	38.2	35.3	104.7	86.2
Interconnection charges	13.0	17.5	43.9	52.3
Miscellaneous	27.4	23.1	81.5	74.0
	<b>399.6</b>	<b>418.3</b>	<b>1,181.2</b>	<b>1,215.9</b>
<b>TOTAL REVENUE</b>	<b>1,178.8</b>	<b>1,312.5</b>	<b>3,548.1</b>	<b>3,792.2</b>



COMPANY	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
<b>DOMESTIC TELEPHONY</b>				
Monthly network service fees	96.1	107.0	294.5	332.1
Local and long-distance calls				
-Fixed to fixed	57.9	74.3	184.6	228.3
-Fixed to mobile	22.5	24.0	68.2	67.8
	80.4	98.3	252.8	296.1
Other	11.2	13.1	33.8	40.8
	<b>187.7</b>	<b>218.4</b>	<b>581.1</b>	<b>669.0</b>
<b>INTERNATIONAL TELEPHONY</b>				
International traffic	8.4	10.0	25.1	29.6
Dues from mobile operators	10.1	9.0	25.0	23.4
Dues from international operators	6.1	13.4	23.3	30.9
	<b>24.6</b>	<b>32.4</b>	<b>73.4</b>	<b>83.9</b>
<b>OTHER REVENUE</b>				
Prepaid cards	4.4	5.3	12.7	15.0
Leased lines and Data ATM communications	20.1	28.1	62.9	82.1
Integrated Services Digital Network (ISDN)	23.7	26.6	73.2	81.7
Sales of telecommunication equipment	6.7	8.7	17.8	22.2
Internet/ ADSL	49.5	53.0	149.8	160.7
Co-location / Local Loop	50.7	51.3	153.4	148.4
Metro Ethernet & IP CORE	10.6	10.5	31.8	28.5
Provision for services	25.6	25.7	66.1	70.0
Interconnection charges	12.2	15.7	38.8	48.1
Miscellaneous	8.0	7.8	26.1	25.3
	<b>211.5</b>	<b>232.7</b>	<b>632.6</b>	<b>682.0</b>
<b>TOTAL REVENUE</b>	<b>423.8</b>	<b>483.5</b>	<b>1,287.1</b>	<b>1,434.9</b>

## 11. OTHER INCOME/ (EXPENSE), NET

Other income/ (expense), net is analyzed as follows:

GROUP	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
Forfeiture of letters of guarantee	0.1	0.5	0.8	1.3
Rents	2.6	2.1	7.4	6.9
Income/(expense) from penalties, net	1.9	1.5	5.1	4.2
Other	(0.7)	(3.5)	0.5	(6.0)
<b>TOTAL</b>	<b>3.9</b>	<b>0.6</b>	<b>13.8</b>	<b>6.4</b>

COMPANY	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
Forfeiture of letters of guarantee	0.1	0.5	0.8	1.3
Rents	0.3	0.1	0.4	0.3
Other	0.3	0.1	0.4	(1.6)
<b>TOTAL</b>	<b>0.7</b>	<b>0.7</b>	<b>1.6</b>	<b>-</b>

## 12. COST OF EARLY RETIREMENT PROGRAM

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

GROUP AND COMPANY	01/01- 30/09/2012
<b>Balance at the beginning of the period</b>	<b>166.2</b>
Payments during the period	(14.0)
Adjustment due to time value of money	0.2
<b>Balance at the end of the period</b>	<b>152.4</b>



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND FOR THE NINE MONTH PERIOD THEN ENDED

Based on the estimated period of payment, the provision relating to the Voluntary Leave Scheme is classified as current liability both as of September 30, 2012 and December 31, 2011.

Amounts paid during the first nine months of 2012, in relation to early retirement programs were Euro 4.3 for the Group and Euro 4.0 for the Company and were fully provided for.

### 13. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

GROUP	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
Third party fees	42.4	50.6	135.2	148.7
Cost of telecommunication materials, repairs and maintenance	31.8	31.5	97.6	102.6
TV costs	23.2	18.3	66.8	51.7
Advertising and promotion costs	30.9	33.4	96.4	105.8
Utilities	47.3	41.8	126.3	117.9
Provision for doubtful accounts	32.4	36.7	96.1	106.0
Travel costs	2.6	2.6	8.1	8.6
Commissions to independent commercial distributors	58.2	66.1	172.9	178.4
Payments to Audiotex providers	0.5	0.8	2.8	3.2
Rents	26.0	29.3	79.0	84.5
Taxes, other than income tax	9.2	21.8	47.9	48.0
Transportation costs	3.1	2.4	8.7	7.5
Other	10.1	15.1	37.2	41.3
<b>TOTAL</b>	<b>317.7</b>	<b>350.4</b>	<b>975.0</b>	<b>1,004.2</b>

COMPANY	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
Third party fees	28.0	24.6	74.6	67.5
Cost of telecommunication materials, repairs and maintenance	12.2	13.2	36.1	39.8
TV costs	10.8	6.5	29.6	21.9
Advertising and promotion costs	6.7	5.4	19.2	17.1
Utilities	18.1	16.3	45.9	43.8
Provision for doubtful accounts	6.8	4.7	19.4	21.0
Travel costs	1.1	1.1	3.3	3.6
Payments to Audiotex providers	0.3	0.7	2.3	2.5
Rents	15.2	17.6	46.3	52.9
Taxes, other than income tax	2.4	4.0	10.0	10.6
Transportation costs	1.2	1.2	3.3	3.8
Other	2.5	3.0	7.7	9.1
<b>TOTAL</b>	<b>105.3</b>	<b>98.3</b>	<b>297.7</b>	<b>293.6</b>



## 14. EARNINGS PER SHARE

Earnings per share (after income taxes) are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares outstanding during the 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	3 <sup>rd</sup> Quarter		First nine months	
	2012	2011	2012	2011
Profit attributable to owners of the parent	109.0	104.4	520.1	196.8
Weighted average number of shares for basic earnings per share	490,150,389	490,150,389	490,150,389	490,150,389
Share options outstanding	17,495,826	18,682,086	17,495,826	18,682,086
Weighted average number of shares adjusted for the effect of dilutions	490,150,389	490,150,389	490,150,389	490,150,389
Basic earnings per share	0.2224	0.2130	1.0611	0.4015
Diluted earnings per share	0.2224	0.2130	1.0611	0.4015

(Earnings per share are in absolute amounts)

For the first nine months of 2012 and 2011 the outstanding options did not have a dilutive effect on earnings per share and, therefore, are not included in the earnings per share calculation.

## 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, as the Group's chief operating decision makers review financial information separately reported by the parent company (OTE) and each of the Group's consolidated subsidiaries, or the sub groups included in the consolidation.

Using the quantitative thresholds OTE, COSMOTE group and ROMTELECOM have been determined to be reportable segments. Information about operating segments that do not constitute reportable segments has been combined and disclosed in an "All Other" category. The types of services provided by the reportable segments are as follows:

- OTE is a provider of local, long-distance and international fixed-line voice telephony and internet access services in Greece.
- COSMOTE group is a provider of mobile telecommunications services in Greece, Albania, Bulgaria and Romania.
- ROMTELECOM is a provider of local, long-distance and international fixed-line voice telephony and internet access services in Romania.

Accounting policies of the operating segments are the same as those followed for the preparation of the financial statements. Intersegment revenue are generally reported at values that approximate third-party selling prices. Management evaluates segment performance based on operating profit before depreciation, amortization, impairment and cost of early retirement program; operating profit and profit for the period.

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

Nine month period ended September 30, 2012	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,194.1	1,733.8	453.3	166.9	3,548.1	-	3,548.1
Intersegment revenue	93.0	117.1	16.7	184.9	411.7	(411.7)	-
Total revenue	1,287.1	1,850.9	470.0	351.8	3,959.8	(411.7)	3,548.1
Other income/(expense), net	1.6	(4.0)	14.6	4.4	16.6	(2.8)	13.8
Operating expenses	(1,136.8)	(1,494.9)	(441.9)	(315.2)	(3,388.8)	414.8	(2,974.0)
Operating profit	151.9	352.0	42.7	41.0	587.6	0.3	587.9
Operating profit before depreciation, amortization, impairment and cost of early retirement program	375.3	694.1	125.5	71.3	1,266.2	(1.9)	1,264.3
Profit for the period	229.0	222.5	46.8	44.4	542.7	(0.5)	542.2



Nine month period ended September 30, 2011	OTE	COSMOTE GROUP	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	1,318.4	1,828.2	472.3	173.3	3,792.2	-	3,792.2
Intersegment revenue	116.5	118.3	20.2	189.9	444.9	(444.9)	-
Total revenue	1,434.9	1,946.5	492.5	363.2	4,237.1	(444.9)	3,792.2
Other income/(expense), net	-	(5.1)	12.2	1.9	9.0	(2.6)	6.4
Operating expenses	(1,282.6)	(1,628.5)	(536.4)	(331.1)	(3,778.6)	448.6	(3,330.0)
Operating profit/(loss)	152.3	312.9	(31.7)	34.0	467.5	1.1	468.6
Operating profit before depreciation, amortization, impairment and cost of early retirement program	415.7	696.5	116.5	79.7	1,308.4	(0.1)	1,308.3
Profit/(loss) for the period	12.9	188.0	(27.2)	61.9	235.6	(50.2)	185.4

## 16. RELATED PARTY DISCLOSURES

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

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

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

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

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

	First nine months 2012		First nine months 2011	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	68.6	68.4	86.1	66.5
OTE INTERNATIONAL INVESTMENTS LTD	0.3	3.0	0.3	3.0
HELLAS-SAT	0.3	0.9	0.3	2.8
COSMO-ONE	-	0.5	-	0.4
VOICENET	1.7	2.1	2.3	2.4
HELLASCOM	-	5.9	0.1	6.5
OTE SAT - MARITEL	0.6	0.9	0.6	0.9
OTE PLUS	0.3	24.9	0.3	22.6
OTE ESTATE	0.5	41.0	1.4	46.3
OTE-GLOBE	20.6	54.6	25.0	56.6
OTE ACADEMY	0.1	4.4	0.1	2.8
ROMTELECOM	-	0.3	-	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	0.3	-	-
<b>TOTAL</b>	<b>93.1</b>	<b>207.2</b>	<b>116.5</b>	<b>211.0</b>

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

	First nine months 2012		First nine months 2011	
	Group's Sales	Group's Purchases	Group's Sales	Group's Purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	17.7	15.7	17.6	13.5
<b>TOTAL</b>	<b>17.7</b>	<b>15.7</b>	<b>17.6</b>	<b>13.5</b>





NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND FOR THE NINE MONTH PERIOD THEN ENDED

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

	Finance expense OTE	
	First nine months 2012	First nine months 2011
OTE PLC	68.4	81.1
<b>TOTAL</b>	<b>68.4</b>	<b>81.1</b>

The financial activities of the Group with related parties which are not eliminated in the consolidation are analyzed as follows:

	Finance expense Group	
	First nine months 2012	First nine months 2011
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	1.4
<b>TOTAL</b>	<b>-</b>	<b>1.4</b>

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

	First nine months 2012	First nine months 2011
OTE SAT - MARITEL	0.7	1.2
<b>TOTAL</b>	<b>0.7</b>	<b>1.2</b>

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

	30/09/2012		31/12/2011	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	40.5	82.7	46.6	90.5
OTE INTERNATIONAL INVESTMENTS LTD	0.2	1.0	0.2	1.4
HELLAS-SAT	0.1	0.4	0.2	0.4
COSMO-ONE	-	0.3	-	0.2
VOICENET	0.7	0.8	0.8	1.0
HELLASCOM	0.1	2.4	0.1	4.1
OTE SAT - MARITEL	4.3	7.1	3.6	5.9
OTE PLUS	0.4	12.2	0.2	10.9
OTE ESTATE	1.0	27.7	0.9	18.2
OTE-GLOBE	60.3	89.5	57.6	81.0
OTE ACADEMY	0.4	0.3	0.4	0.7
ROMTELECOM	0.2	0.2	0.2	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	0.1	-	-
<b>TOTAL</b>	<b>108.3</b>	<b>224.7</b>	<b>110.8</b>	<b>214.3</b>

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:

	30/09/2012		31/12/2011	
	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)	17.9	46.3	5.9	25.9
<b>TOTAL</b>	<b>17.9</b>	<b>46.3</b>	<b>5.9</b>	<b>25.9</b>

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

	Amounts owed by OTE	
	30/09/2012	31/12/2011
OTE PLC	1,571.9	2,162.4
<b>TOTAL</b>	<b>1,571.9</b>	<b>2,162.4</b>





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

Fees to the members of the Board of Directors and OTE’s key management personnel amounted to Euro 3.7 (including the employer’s contributions to pension funds where applicable) for the first nine months of 2012.

As of September 30, 2012, 2,932,332 options under OTE’s share based payment plan have been granted to the Company’s key management personnel.

## 17. SHARE OPTION PLAN

The total number of share options outstanding is analyzed as follows:

	01/01- 30/09/2012		01/01- 31/12/2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the period	17,829,196	11.41	12,680,487	13.44
Granted	-	-	6,666,043	4.96
Forfeited / Canceled	(333,370)	10.40	(1,517,334)	12.26
Outstanding at the end of the period	17,495,826	12.20	17,829,196	11.41
Exercisable at the end of the period	8,256,651	17.42	8,339,471	16.84

The fair value is reflected in the income statement during the vesting period. An amount of Euro 1.5 and Euro 0.5 was charged to the consolidated and the separate income statement of the first nine months of 2012, respectively and are recorded in the line “Payroll and employee benefits” with a corresponding entry in the Share Premium.

## 18. 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, 2011, except for the following:

### CIVIL PROCEEDINGS

**TELEDOME S.A.:** With respect to the appeals of Teledome SA and Bank of Cyprus that had been rejected by the Court and the new appeals of the abovementioned against this decision, these appeals were heard before the Court of Appeals on April 26, 2012. The Court issued a decision by which all the respective appeals were rejected.

**FASMA ADVERTISING TECHNICAL AND COMMERCIAL S.A.:** With respect to the appeal of FASMA ADVERTISING TECHNICAL AND COMMERCIAL S.A. against the decision of the Multi Member Court of First Instance which rejected the lawsuit, the case was heard on May 17, 2012, and the decision of the Athens Court of Appeals was issued by which the above lawsuit was definitely rejected.

**FLT HELLAS METAFORIKH S.A.:** With respect to a lawsuit that FLT HELLAS METAFORIKH S.A. had filed against OTE before the Multi-Member Court of First Instance claiming an amount of Euro 12.4 plus interest for alleged damages caused by OTE from breach of contract and reputational damage, the case was heard on February 8, 2012 and the Court rejected the claim.

**3K Techniki S.A.:** 3K Techniki S.A. filed a lawsuit against OTE before the Athens Multi-Member Court claiming an amount of Euro 1.0 for differences from contract terms regarding requests for adjustment of the contractual price.

**DEP INFO LTD:** On September 13, 2012, DEP INFO LTD filed a new lawsuit against OTE before the Multi-Member Court of First Instance for the amount of Euro 5.0 which is scheduled to be heard on December 10, 2014.



**Sparrowhack International Channels Ltd:** Sparrowhack International Channels Ltd filed a claim against OTE, before the Queen's Bench Division of the High Court of Justice (London, UK), requesting the Court to adjudicate that a) the license agreement for the distribution of Universal Channel via OTE's pay TV platform has automatically renewed, from May 2012 and for two years of term, due to delayed notice of termination by OTE and b) the license fee, of approximately Euro 4.1 (plus interest and legal fees), is due and payable by OTE in total. The first procedural step for OTE (submission of Defence) was sent for September 27, 2012. On October 18, 2012 the Claimant filed its Response on OTE's Defence. The Court is expected to define the next stages of the procedure.

## FINES OF HTPC

### HTPC fines against OTE

On October 5, 2007, HTPC imposed a fine for a total amount of Euro 3.0 for alleged non-compliance with regard to OTE's obligations relating to the Local Loop Unbundling (L.L.U). Against this decision OTE has filed an appeal demanding its annulment which was heard before the Athens Administrative Court of Appeals. The Court, with its decision, annulled the aforementioned fine.

### HTPC fines to OTE and COSMOTE

On January 25, 2012, HTPC imposed a fine of Euro 2.0 on OTE and a fine of Euro 1.0 on COSMOTE for alleged failure to provide the requested information (collocation agreements between OTE and COSMOTE). OTE and COSMOTE have appealed against the fines before the Athens Administrative Court of Appeals and the date of the hearing has not yet been determined. The Athens Administrative Court of Appeals rejected the application to suspend execution for both companies.

### HTPC notification to COSMOTE

On May 24, 2012, HTPC notified to COSMOTE the n. HTPC 12073/26-3-2012 complaint of VODAFONE-PANAFON S.A. against COSMOTE in relation with the violation of rules of free competition in the Greek market for prepaid mobile telephony, calling COSMOTE to submit its views within one month. In the above complaint the complainant requests from HTPC to examine the possible abuse by COSMOTE of its alleged dominating position in the relevant market of prepaid mobile telephony as defined by the complainant in the form of margin squeeze during the period 2007-2011. At COSMOTE's request, the deadline was extended for two further months. On August 24, 2012 COSMOTE submitted its views on that complaint to HTPC.

On May 24, 2012, HTPC notified to COSMOTE the n. HTPC 1483/12-4-2012 complaint and request for dispute settlement of the companies AMAZE, BOB MOBILE, BUONGIORNO and WIN against the companies COSMOTE, VODAFONE and WIND. With the above complaint the complainants accuse the defendants of abuse of their individual or collective dominant positions in the relevant market of wholesale access to mobile networks for the provision of Premium Rate Services (as defined by the complainants) by imposing unfair terms to the complainants. With the request for dispute settlement they request the modification of the terms of the contracts between the complainants and defendants according to the request. HTPC asked from COSMOTE to submit its views within twenty working days. At COSMOTE's request, the deadline was extended for two further months. On August 21, 2012 COSMOTE has signed amendments to those contracts with three of the four complainants (AMAZE, BUONGIORNO and WIN), which has waived the above complaints – requests for dispute settlement. On August 26, 2012, COSMOTE has submitted its views on those complaints – requests for dispute settlement to HTPC.

## 19. RECLASSIFICATIONS

In the consolidated income statement for the first nine months of 2011, an amount of Euro 31.4 (Euro 11.4 for the third quarter of 2011) has been reclassified from "Cost of telecommunications equipment/write downs" to "Other operating expenses" and specifically to "Commissions to independent commercial distributors" for better presentation.

In the consolidated statement of cash flows for the first nine months of 2011, an amount of Euro 5.2 has been reclassified from "Decrease / (increase) in inventories" to "Write down of inventories" for better presentation of the Group's movement in inventories.

In the consolidated statement of cash flows for the first nine months of 2011, an amount of Euro 70.0 has been reclassified from "Decrease/(increase) in accounts receivable" to "Decrease in liabilities (except borrowings)" for better presentation.

## 20. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after September 30, 2012, are as follows:



## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND FOR THE NINE MONTH PERIOD THEN ENDED

### REPAYMENT OF LOAN

Until November 6, 2012, OTE PLC proceeded with partial repurchases of a total nominal amount of Euro 60.4 under the Notes due in August 2013, along with the payment of accrued interest.

### HELLAS-SAT

On October 15, 2012, the Board of Directors of HELLAS-SAT approved the distribution of interim dividend of Euro 8.0 for 2012.

On November 5, 2012, the extraordinary General Assembly of HELLAS-SAT approved the distribution of dividend of Euro 29.6 from the prior years' profits.

### VOLUNTARY EXIT SCHEME

On November 7, 2012, OTE's Board of Directors approved a Voluntary Exit Scheme (the "Scheme") for OTE employees who are mainly close to their retirement age. The key terms and conditions of the Scheme will be communicated by the Company to employees within the next days. The relative cost will be estimated by the Company by taking into account the employees' response to the Scheme once it has been communicated and will be charged to the 2012 year-end financial results.