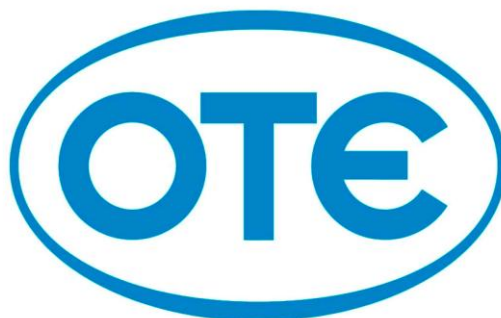


HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



**INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF MARCH 31, 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 1-21 were approved by the Board of Directors on May 9, 2012 and are signed by:

Chairman
& Managing Director

Board Member & Group
Chief Financial Officer

OTE Chief Financial
Officer

Chief Accounting Officer

Michael Tsamaz

Kevin Copp

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 MARCH 31, 2012 AND FOR THE THREE MONTH PERIOD THEN ENDED

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INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		31/03/2012	31/12/2011	31/03/2012	31/12/2011
ASSETS					
Non-current assets					
Property, plant and equipment		4,176.4	4,328.0	1,627.2	1,682.7
Goodwill		567.8	569.2	-	-
Telecommunication licenses		420.4	432.8	4.0	4.2
Other intangible assets		494.7	503.5	30.5	27.6
Investments	4	1.2	1.2	4,108.7	4,108.1
Loans and advances to pension funds		120.7	121.9	120.7	121.9
Deferred tax assets		263.3	246.2	159.1	140.5
Other non-current assets		211.8	204.5	178.5	168.2
Total non-current assets		6,256.3	6,407.3	6,228.7	6,253.2
Current assets					
Inventories		127.8	125.0	23.6	21.9
Trade receivables		933.5	928.6	496.2	495.1
Other financial assets	5	706.8	353.5	673.1	343.3
Other current assets		207.4	213.1	90.4	113.2
Cash and cash equivalents		849.0	683.4	180.7	156.0
Total current assets		2,824.5	2,303.6	1,464.0	1,129.5
Assets classified as held for sale	4	-	380.0	-	380.0
TOTAL ASSETS		9,080.8	9,090.9	7,692.7	7,762.7
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	6	1,171.5	1,171.5	1,171.5	1,171.5
Share premium	6	508.7	508.0	508.7	508.0
Statutory reserve		347.2	347.2	347.2	347.2
Foreign exchange and other reserves		(171.1)	72.4	(42.1)	183.9
Changes in non-controlling interests		(3,321.5)	(3,321.5)	-	-
Retained earnings		2,912.5	2,605.9	1,156.1	934.9
Total equity attributable to owners of the Parent		1,447.3	1,383.5	3,141.4	3,145.5
Non-controlling interests		375.8	373.8	-	-
Total equity		1,823.1	1,757.3	3,141.4	3,145.5
Non-current liabilities					
Long-term borrowings	7	4,142.0	4,139.1	2,718.3	2,715.7
Provision for staff retirement indemnities		302.1	285.1	275.3	259.3
Provision for youth account		233.7	240.6	233.7	240.6
Deferred tax liabilities		91.4	92.8	-	-
Other non-current liabilities		76.7	74.4	25.3	23.3
Total non-current liabilities		4,845.9	4,832.0	3,252.6	3,238.9
Current liabilities					
Trade accounts payable		655.8	749.6	300.6	346.6
Short-term borrowings	7	3.5	2.0	-	-
Short-term portion of long-term borrowings	7	760.9	760.9	280.7	280.7
Income tax payable	8	35.0	15.8	-	-
Deferred revenue		220.8	234.6	240.1	237.2
Provision for voluntary leave scheme	11	158.4	166.2	158.4	166.2
Dividends payable		2.3	2.3	2.3	2.3
Other current liabilities		575.1	570.2	316.6	345.3
Total current liabilities		2,411.8	2,501.6	1,298.7	1,378.3
TOTAL EQUITY AND LIABILITIES		9,080.8	9,090.9	7,692.7	7,762.7



INTERIM INCOME STATEMENTS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro except per share data)	Notes	GROUP		COMPANY	
		01/01-31/03/2012	01/01-31/03/2011	01/01-31/03/2012	01/01-31/03/2011
Revenue					
Domestic telephony	9	265.9	303.6	200.9	227.7
International telephony	9	38.6	36.7	23.9	24.9
Mobile telephony	9	489.0	485.3	-	-
Other revenue	9	386.7	399.2	216.4	232.7
Total revenue		1,180.2	1,224.8	441.2	485.3
Other income/ (expense), net	10	1.0	2.2	(0.5)	(1.7)
Operating expenses					
Payroll and employee benefits		(241.4)	(268.7)	(139.2)	(165.0)
Provision for staff retirement indemnities		(5.5)	(5.8)	(4.8)	(5.0)
Provision for youth account		(1.0)	(4.8)	(1.0)	(4.8)
Cost of early retirement program		-	(39.7)	-	(8.0)
Charges from international operators		(45.1)	(43.6)	(20.3)	(21.1)
Charges from domestic operators		(81.6)	(85.4)	(31.8)	(33.2)
Depreciation, amortization and impairment		(222.6)	(263.0)	(74.5)	(84.0)
Cost of telecommunications equipment/ write downs		(62.3)	(73.0)	(10.9)	(11.5)
Other operating expenses	12	(326.8)	(312.7)	(93.0)	(93.9)
Total operating expenses		(986.3)	(1,096.7)	(375.5)	(426.5)
Operating profit before financial activities		194.9	130.3	65.2	57.1
Income and expense from financial activities					
Interest expense		(71.6)	(66.4)	(52.1)	(38.6)
Interest income		4.3	5.8	2.6	2.1
Foreign exchange differences, net		3.2	3.7	(0.1)	0.2
Gains from investments and financial assets	4,5	225.0	-	225.0	-
Total profit/(loss) from financial activities		160.9	(56.9)	175.4	(36.3)
Profit before tax		355.8	73.4	240.6	20.8
Income tax expense	8	(42.2)	(48.3)	(19.4)	(23.3)
Profit/(loss) for the period		313.6	25.1	221.2	(2.5)
Attributable to:					
Owners of the parent		306.6	30.2	221.2	(2.5)
Non-controlling interests		7.0	(5.1)	-	-
		313.6	25.1	221.2	(2.5)
Basic earnings per share	13	0.6255	0.0616		
Diluted earnings per share	13	0.6255	0.0616		



INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01- 31/03/2012	01/01- 31/03/2011	01/01- 31/03/2012	01/01- 31/03/2011
Profit / (loss) for the period		313.6	25.1	221.2	(2.5)
Foreign currency translation		(22.5)	65.6	-	-
Actuarial gains/ (losses)		(17.6)	16.9	(17.6)	16.9
Deferred taxes on actuarial gains/ (losses)		3.5	(3.4)	3.5	(3.4)
Net movement in available for sale financial assets	4,5	(225.5)	0.1	(225.5)	0.1
Deferred taxes on net movement in available for sale financial assets	4	13.6	-	13.6	-
Other comprehensive income / (loss) for the period		(248.5)	79.2	(226.0)	13.6
Total comprehensive income / (loss) for the period		65.1	104.3	(4.8)	11.1
Attributable to:					
Owners of the parent		63.1	89.5	(4.8)	11.1
Non-controlling interests		2.0	14.8	-	-
		65.1	104.3	(4.8)	11.1



INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(Amounts in millions of Euro)	Attributed to equity holders of the parent							Non-controlling Interest	Total equity
	Share capital	Share premium	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total		
Balance as at January 1, 2011	1,171.5	510.6	347.2	(147.3)	(3,321.5)	2,539.1	1,099.6	553.0	1,652.6
Profit / (loss) for the period	-	-	-	-	-	30.2	30.2	(5.1)	25.1
Other comprehensive income	-	-	-	59.3	-	-	59.3	19.9	79.2
Total comprehensive income	-	-	-	59.3	-	30.2	89.5	14.8	104.3
Dividends	-	-	-	-	-	-	-	(43.7)	(43.7)
Share-based payment	-	0.5	-	-	-	-	0.5	-	0.5
Balance as at March 31, 2011	1,171.5	511.1	347.2	(88.0)	(3,321.5)	2,569.3	1,189.6	524.1	1,713.7
Balance as at January 1, 2012	1,171.5	508.0	347.2	72.4	(3,321.5)	2,605.9	1,383.5	373.8	1,757.3
Profit for the period	-	-	-	-	-	306.6	306.6	7.0	313.6
Other comprehensive income / (loss)	-	-	-	(243.5)	-	-	(243.5)	(5.0)	(248.5)
Total comprehensive income / (loss)	-	-	-	(243.5)	-	306.6	63.1	2.0	65.1
Share-based payment	-	0.7	-	-	-	-	0.7	-	0.7
Balance as at March 31, 2012	1,171.5	508.7	347.2	(171.1)	(3,321.5)	2,912.5	1,447.3	375.8	1,823.1



INTERIM STATEMENT OF CHANGES IN EQUITY (SEPARATE)

(Amounts in millions of Euro)	Share capital	Share premium	Statutory reserve	Other reserves	Retained earnings	Total equity
Balance as at January 1, 2011	1,171.5	510.6	347.2	(60.1)	1,401.2	3,370.4
Profit / (loss) for the period	-	-	-	-	(2.5)	(2.5)
Other comprehensive income	-	-	-	13.6	-	13.6
Total comprehensive income / (loss)	-	-	-	13.6	(2.5)	11.1
Share-based payment	-	0.5	-	-	-	0.5
Balance as at March 31, 2011	1,171.5	511.1	347.2	(46.5)	1,398.7	3,382.0
Balance as at January 1, 2012	1,171.5	508.0	347.2	183.9	934.9	3,145.5
Profit for the period	-	-	-	-	221.2	221.2
Other comprehensive income / (loss)	-	-	-	(226.0)	-	(226.0)
Total comprehensive income / (loss)	-	-	-	(226.0)	221.2	(4.8)
Share-based payment	-	0.7	-	-	-	0.7
Balance as at March 31, 2012	1,171.5	508.7	347.2	(42.1)	1,156.1	3,141.4



INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01-31/03/2012	01/01-31/03/2011	01/01-31/03/2012	01/01-31/03/2011
Cash flows from operating activities					
Profit before tax		355.8	73.4	240.6	20.8
Adjustments for:					
Depreciation, amortization and impairment		222.6	263.0	74.5	84.0
Share-based payment	16	0.7	0.5	0.1	0.2
Cost of early retirement program		-	39.7	-	8.0
Provision for staff retirement indemnities		5.5	5.8	4.8	5.0
Provision for youth account		1.0	4.8	1.0	4.8
Write down of inventories		0.9	1.4	-	-
Provision for doubtful accounts	12	32.2	30.7	7.4	6.6
Foreign exchange differences, net		(3.2)	(3.7)	0.1	(0.2)
Interest income		(4.3)	(5.8)	(2.6)	(2.1)
(Gains) from investments and financial assets	4,5	(225.0)	-	(225.0)	-
Release of EDEKT fund prepayment		-	8.8	-	8.8
Interest expense		71.6	66.4	52.1	38.6
Working capital adjustments:					
Decrease/ (increase) in inventories		(3.7)	(12.2)	(1.7)	(0.2)
Decrease / (increase) in accounts receivable		(47.2)	(10.5)	(8.9)	(4.2)
(Decrease) in liabilities (except borrowings)		(39.3)	(99.1)	(42.3)	(50.5)
Plus/(Minus):					
Payment for early retirement programs and voluntary leave scheme	11	(9.1)	(35.4)	(8.9)	(24.2)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(16.9)	(18.4)	(16.7)	(16.9)
Interest and related expenses paid		(81.7)	(116.5)	(80.0)	(98.0)
Income taxes paid		(25.7)	(24.5)	(22.0)	(4.0)
Net cash flows from / (used in) operating activities		234.2	168.4	(27.5)	(23.5)
Cash flows from investing activities					
Purchase of financial assets	5	(720.0)	-	(677.4)	-
Sale or maturity of financial assets	5	366.1	-	347.1	-
Repayments of loans receivable		2.6	2.4	2.6	2.4
Purchase of property plant and equipment and intangible assets		(118.5)	(166.5)	(22.2)	(33.9)
Proceeds from disposal of assets held for sale	4	380.0	-	380.0	-
Interest received		2.9	4.4	2.4	2.0
Dividends received	4	17.0	-	17.0	-
Return of capital invested in subsidiaries		-	-	-	82.0
Net cash flows from / (used in) investing activities		(69.9)	(159.7)	49.5	52.5
Cash flows from financing activities					
Proceeds from loans granted and issued	7	4.2	932.0	2.7	932.0
Repayment of loans		-	(1,435.8)	-	(1,086.9)
Dividends paid to non-controlling interests		-	(43.7)	-	-
Net cash flows from / (used in) financing activities		4.2	(547.5)	2.7	(154.9)
Net increase/(decrease) in cash and cash equivalents		168.5	(538.8)	24.7	(125.9)
Cash and cash equivalents, at the beginning of the period		683.4	1,004.3	156.0	189.0
Net foreign exchange differences		(2.9)	3.6	-	-
Cash and cash equivalents, at the end of the period		849.0	469.1	180.7	63.1



1. CORPORATE INFORMATION

Hellenic Telecommunications Organization S.A. (“Company” or “OTE”), 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. 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 principle 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 March 31, 2012 holds a 40.00% interest in OTE (see Note 6).

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

The Interim Condensed Consolidated and Separate Financial Statements (“interim financial statements”) as of March 31, 2012 and for the three month period then ended, were approved for issuance by the Board of Directors on May 9, 2012.

The total numbers of Group and Company employees as of March 31, 2012 and 2011 were as follows:

	GROUP	COMPANY
March 31, 2012	28,867	10,556
March 31, 2011	30,762	10,919

The Interim Condensed 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	31/03/2012	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%
COSMO-HOLDING ALBANIA S.A. (“CHA”)	Investment holding company	Greece	97.00%	97.00%



COMPANY NAME	LINE OF BUSINESS	COUNTRY	31/03/2012	31/12/2011
			GROUP'S OWNERSHIP INTEREST	
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/portal/page/portal/InvestorRelation/FinancialResults/FinancialStatementsOfOTEGroupAndOTESA>.

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.

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 new and amended IFRS and IFRIC interpretations 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 new and amended IFRS and IFRIC interpretations 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. This amendment has not yet been endorsed by the EU.
- **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. This amendment has not yet been endorsed by the EU.
- **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.
- **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.



4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	31/03/2012	31/12/2011	31/03/2012	31/12/2011
(a) Investments in subsidiaries	-	-	4,107.5	4,106.9
(b) Other investments	1.2	1.2	1.2	1.2
TOTAL	1.2	1.2	4,108.7	4,108.1

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	31/03/2012	31/12/2011
COSMOTE	100.00%	Greece	3,084.3	3,083.7
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	453.9	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
TOTAL			4,107.5	4,106.9

SHARE OPTION PLAN

OTE has implemented a Share Option Plan (see Note 16) 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 three months of 2012 is Euro 0.6 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.

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 recognized in the consolidated and separate income statement of the first three months of 2012 in the line "Gains from investments and financial assets".



5. OTHER FINANCIAL ASSETS

Other financial assets are analyzed as follows:

	GROUP		COMPANY	
	31/03/2012	31/12/2011	31/03/2012	31/12/2011
Marketable securities:				
Held to maturity - Bonds	23.1	-	-	-
Held for trading - Bonds	3.4	3.5	-	-
Available for sale - Bonds	671.5	341.7	671.5	341.7
Available for sale - Mutual funds	2.7	2.8	1.6	1.6
Non - marketable securities:				
Available for sale - Securities	6.1	5.5	-	-
TOTAL	706.8	353.5	673.1	343.3

The available for sale bonds mature by October 2012.

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

	01/01-31/03/2012	
	GROUP	COMPANY
Balance at the beginning of the period	353.5	343.3
Additions	720.0	677.4
Sales - maturities	(366.1)	(347.1)
Foreign exchange differences	(0.1)	-
Gain through income statement	0.1	0.1
Fair value adjustments through other comprehensive income	(0.6)	(0.6)
Balance at the end of the period	706.8	673.1

6. SHARE CAPITAL - SHARE PREMIUM

OTE's share capital as of March 31, 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 March 31, 2012 and December 31, 2011 amounted to Euro 508.7 and Euro 508.0, respectively, the increase (Euro 0.7) being the amount charged in the income statement for the first three months of 2012 under the Group's share option plan (see Note 16).

The following is an analysis of the ownership of OTE's shares as of March 31, 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	196,503,885	40.09%
Private investors	48,571,306	9.91%
TOTAL	490,150,389	100.00%

7. LONG-TERM AND SHORT-TERM BORROWINGS

LONG -TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	31/03/2012	31/12/2011
(a) Syndicated loans	1,652.4	1,651.1
(b) Global Medium-Term Note Program	3,246.5	3,244.9
(c) Other bank loans	4.0	4.0
Total long-term debt	4,902.9	4,900.0
Short-term portion	(760.9)	(760.9)
Long-term portion	4,142.0	4,139.1



COMPANY	31/03/2012	31/12/2011
(a) Syndicated loans	895.5	894.2
(b) Intercompany loans from OTE PLC	2,103.5	2,102.2
Total long-term debt	2,999.0	2,996.4
Short-term portion	(280.7)	(280.7)
Long-term portion	2,718.3	2,715.7

Interest rate swaps

On April 8, 2011, OTE entered into two interest rate swaps agreements with a notional amount of Euro 250.0 each maturing on April 8, 2014. The swaps have been designated as fair value hedges at group level under the OTE PLC Euro 500.0 Notes. The fair value of the above mentioned swaps as of March 31, 2012, is Euro 27.4 (December 31, 2011: Euro 24.3).

During the first three months of 2012, OTE received additional collateral of total Euro 2.7 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 March 31, 2012 for the Group amounted to Euro 3.5 (December 31, 2011: Euro 2.0). During the first three months of 2012 OTE PLUS received an amount of Euro 1.5.

8. 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 date of approval of the financial statements by the General Meeting of Shareholders. 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.



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2012 AND FOR THE THREE 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 2010
GLOBUL	From 2005
COSMOTE ROMANIA	From 2007
GERMANOS	From 2010
E-VALUE S.A.	From 2010
GERMANOS TELECOM ROMANIA S.A.	From 2003
SUNLIGHT ROMANIA S.R.L. -FILIALA	From 2005
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.

The major components of income tax expense are as follows:

	GROUP		COMPANY	
	01/01-31/03/2012	01/01-31/03/2011	01/01-31/03/2012	01/01-31/03/2011
Current income tax	43.5	26.3	20.9	6.1
Differences arising from tax audits	0.2	-	-	-
Deferred income tax – Effect due to change in the income tax rate	-	18.3	-	13.9
Deferred income tax	(1.5)	3.7	(1.5)	3.3
Total income tax	42.2	48.3	19.4	23.3

Income tax payable for the Group and the Company as of March 31, 2012 amounted to Euro 35.0 and nill, respectively.



9. REVENUE

Revenue is analyzed as follows:

	GROUP		COMPANY	
	01/01-31/03/2012	01/01-31/03/2011	01/01-31/03/2012	01/01-31/03/2011
DOMESTIC TELEPHONY				
Monthly network service fees	149.3	169.6	100.7	114.8
Local and long-distance calls				
-Fixed to fixed	72.3	86.5	65.3	77.2
-Fixed to mobile	29.5	31.3	22.2	21.6
	101.8	117.8	87.5	98.8
Other	14.8	16.2	12.7	14.1
	265.9	303.6	200.9	227.7
INTERNATIONAL TELEPHONY				
International traffic	12.8	15.4	8.3	9.7
Dues from international operators	19.5	14.4	9.2	8.0
Dues from mobile operators	6.3	6.9	6.4	7.2
	38.6	36.7	23.9	24.9
MOBILE TELEPHONY	489.0	485.3	-	-
OTHER REVENUE				
Prepaid cards	3.9	4.4	3.6	4.7
Leased lines and Data ATM communications	66.4	77.4	23.1	32.9
Integrated Services Digital Network (ISDN)	27.9	31.1	25.1	27.9
Sales of telecommunication equipment	67.8	79.0	6.4	6.7
Internet/ ADSL	75.0	75.5	50.5	53.8
Co-location / Local Loop	55.6	50.9	54.5	49.8
Metro Ethernet & IP CORE	12.5	11.7	10.6	9.6
Provision for services	31.8	24.8	19.0	21.4
Interconnection charges	17.8	18.2	15.5	17.0
Miscellaneous	28.0	26.2	8.1	8.9
	386.7	399.2	216.4	232.7
TOTAL REVENUE	1,180.2	1,224.8	441.2	485.3

10. OTHER INCOME/ (EXPENSE), NET

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

	GROUP		COMPANY	
	01/01-31/03/2012	01/01-31/03/2011	01/01-31/03/2012	01/01-31/03/2011
Forfeiture of letters of guarantee	0.4	0.5	0.4	0.5
Rents	2.1	2.5	-	0.1
Income/ (expense) from penalties, net	(0.4)	1.3	-	-
Other	(1.1)	(2.1)	(0.9)	(2.3)
TOTAL	1.0	2.2	(0.5)	(1.7)

11. COST OF EARLY RETIREMENT PROGRAM

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

	01/01- 31/03/2012
Balance at the beginning of the period	166.2
Payments during the period	(7.9)
Adjustment due to time value of money	0.1
Balance at the end of the period	158.4



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2012 AND FOR THE THREE 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 March 31, 2012 and December 31, 2011.

Amounts paid during the first three months of 2012, in relation to early retirement programs were Euro 1.2 for the Group and Euro 1.0 for the Company and were fully provided for.

12. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

	GROUP		COMPANY	
	01/01-31/03/2012	01/01-31/03/2011	01/01-31/03/2012	01/01-31/03/2011
Third party fees	44.7	44.5	23.0	19.1
Cost of telecommunication materials, repairs and maintenance	35.7	35.0	13.0	13.5
TV costs	21.4	16.8	9.3	7.9
Advertising and promotion costs	30.0	32.3	4.3	5.3
Utilities	39.3	39.6	12.6	14.2
Provision for doubtful accounts	32.2	30.7	7.4	6.6
Travel costs	2.5	2.7	1.0	1.1
Commissions to independent commercial distributors	58.6	53.2	-	-
Payments to Audiotex providers	1.3	1.1	1.1	0.9
Rents	27.1	28.1	15.5	17.7
Taxes, other than income tax	19.2	13.8	2.9	3.3
Transportation costs	3.0	2.2	0.9	1.1
Other	11.8	12.7	2.0	3.2
TOTAL	326.8	312.7	93.0	93.9

13. 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 shares corresponding to the stock option rights granted.

Earnings per share are analyzed as follows:

GROUP	01/01-31/03/2012	01/01-31/03/2011
Profit attributable to owners of the parent	306.6	30.2
Weighted average number of shares for basic earnings per share	490,150,389	490,150,389
Share options	17,769,886	12,244,980
Weighted average number of shares adjusted for the effect of dilutions	490,150,389	490,150,389
Basic earnings per share	0.6255	0.0616
Diluted earnings per share	0.6255	0.0616

(Earnings per share are in absolute amounts)

For March 31, 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.

14. OPERATING SEGMENT INFORMATION

The following information is provided for the reportable segments, which are separately disclosed in the financial statements and which are regularly reviewed by the Group's chief operating decision makers. Segments were determined based on the Group's legal structure, as the Group's chief operating decision makers review financial information separately reported by the parent company and each of the Group's consolidated subsidiaries, or the sub groups included in the consolidation.



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2012 AND FOR THE THREE MONTH PERIOD THEN ENDED

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 “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 revenues 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/(loss) and profit/(loss) for the period.

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

Three month period ended March 31, 2012	OTE	COSMOTE	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	411.1	568.2	154.5	46.4	1,180.2	-	1,180.2
Intersegment revenue	30.1	42.8	5.7	60.3	138.9	(138.9)	-
Total revenue	441.2	611.0	160.2	106.7	1,319.1	(138.9)	1,180.2
Operating expenses	(375.5)	(503.2)	(150.5)	(96.8)	(1,126.0)	139.7	(986.3)
Operating profit	65.2	105.2	13.8	10.7	194.9	-	194.9
Operating profit before depreciation, amortization, impairment and cost of early retirement program	139.7	217.1	40.4	20.9	418.1	(0.6)	417.5
Profit for the period	221.2	65.9	15.0	9.6	311.7	1.9	313.6

Three month period ended March 31, 2011	OTE	COSMOTE	ROMTELECOM	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	450.2	566.7	158.2	49.7	1,224.8	-	1,224.8
Intersegment revenue	35.1	35.0	8.1	60.7	138.9	(138.9)	-
Total revenue	485.3	601.7	166.3	110.4	1,363.7	(138.9)	1,224.8
Operating expenses	(426.5)	(523.0)	(187.1)	(99.6)	(1,236.2)	139.5	(1,096.7)
Operating profit / (loss)	57.1	78.7	(16.7)	11.3	130.4	(0.1)	130.3
Operating profit before depreciation, amortization, impairment and cost of early retirement program	149.1	214.1	42.9	27.2	433.3	(0.3)	433.0
Profit/(loss) for the period	(2.5)	49.5	(13.0)	52.2	86.2	(61.1)	25.1

15. 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% 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.



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2012 AND FOR THE THREE MONTH PERIOD THEN ENDED

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

	01/01-31/03/2012		01/01-31/03/2011	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE	22.3	24.3	26.9	18.5
OTE INTERNATIONAL INVESTMENTS LTD	0.1	0.9	0.1	0.9
HELLAS-SAT	0.1	0.3	0.1	0.9
COSMO-ONE	-	0.1	-	0.2
VOICENET	0.6	0.8	0.8	0.7
HELLASCOM	-	1.9	-	2.1
OTE SAT - MARITEL	0.2	0.3	0.3	0.4
OTE PLUS	0.1	7.7	0.1	7.8
OTE ESTATE	0.2	13.8	0.4	15.5
OTE-GLOBE	6.5	17.3	6.4	17.4
OTE ACADEMY	-	1.5	-	0.9
ROMTELECOM	-	-	-	0.1
TOTAL	30.1	68.9	35.1	65.4

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

	01/01-31/03/2012		01/01-31/03/2011	
	Group's Sales	Group's Purchases	Group's Sales	Group's Purchases
TELEKOM DEUTSCHLAND	2.8	2.4	2.7	2.1
HRVATSKI TELEKOM	-	0.1	-	0.1
COMBRIDGE	0.4	-	0.4	0.1
ORBITEL	-	-	-	0.2
PTC POLSKA TELEFONIA	-	-	-	0.1
SLOVAK TELEKOM	0.3	0.6	-	-
TELEKOM DEUTSCHLAND UK	-	0.1	-	-
T-SYSTEMS	0.6	-	0.2	0.1
T-MOBILE UK	0.1	0.1	0.1	0.1
T-MOBILE AUSTRIA	-	-	0.1	0.1
T-MOBILE USA	-	-	0.1	0.1
T-MOBILE HUNGARY	-	-	0.1	-
T-SYSTEMS TELEKOMUNIKASYON	-	0.1	-	-
TOTAL	4.2	3.4	3.7	3.0

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

	Finance expense OTE	
	01/01-31/03/2012	01/01-31/03/2011
OTE PLC	29.7	28.4
TOTAL	29.7	28.4

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

	31/03/2012		31/12/2011	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE	42.9	80.8	46.6	90.5
OTE INTERNATIONAL INVESTMENTS LTD	0.2	0.9	0.2	1.4
HELLAS-SAT	0.3	0.5	0.2	0.4
COSMO-ONE	-	0.2	-	0.2
VOICENET	0.7	0.9	0.8	1.0
HELLASCOM	0.1	2.4	0.1	4.1
OTE SAT - MARITEL	3.9	6.2	3.6	5.9
OTE PLUS	0.1	10.7	0.2	10.9
OTE ESTATE	1.4	28.2	0.9	18.2
OTE-GLOBE	56.9	86.5	57.6	81.0
OTE ACADEMY	0.4	0.6	0.4	0.7
ROMTELECOM	0.2	-	0.2	-
TOTAL	107.1	217.9	110.8	214.3



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2012 AND FOR THE THREE MONTH PERIOD THEN ENDED

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:

	31/03/2012		31/12/2011	
	Amounts owed to Group	Amounts owed by Group	Amounts owed to Group	Amounts owed by Group
TELEKOM DEUTSCHLAND	4.7	6.2	3.2	7.7
HRVATSKI TELEKOM	0.2	0.3	0.2	0.2
DETEKON	-	-	-	0.2
ORBITEL	-	0.1	-	0.2
MAGYAR	-	0.1	-	0.1
COMBRIDGE	0.1	-	0.1	-
TELEKOM DEUTSCHLAND UK	-	0.1	-	-
T-SYSTEMS	0.3	-	0.4	-
T-MOBILE HUNGARY	0.1	0.1	0.1	0.1
T-MOBILE CZECH	0.1	0.1	-	0.1
T-MOBILE UK	0.1	0.7	0.2	1.5
T-MOBILE AUSTRIA	0.2	0.3	0.1	0.3
DTAG EUROPE	6.9	22.3	-	13.2
T-MOBILE NETHERLANDS	-	0.3	0.1	0.4
T-SYSTEMS TELEKOMUNIKASYON	-	0.1	-	-
T-MOBILE USA	1.0	1.6	0.7	1.3
SLOVAK TELEKOM	0.1	0.5	0.7	0.3
PCT POLSKA TELEFONIA	-	0.3	0.1	0.3
TOTAL	13.8	33.1	5.9	25.9

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

	Amounts owed by OTE	
	31/03/2012	31/12/2011
OTE PLC	2,152.7	2,162.4
TOTAL	2,152.7	2,162.4

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 0.9 for the first three months of 2012.

As of March 31, 2012, 2,950,332 options under OTE's share based payment plan have been granted to the Company's key management personnel.

16. SHARE OPTION PLAN

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

	01/01-31/03/2012		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	(59,310)	11.77	(1,517,334)	12.26
Outstanding at the end of the period	17,769,886	11.68	17,829,196	11.41
Exercisable at the end of the period	8,327,651	17.42	8,339,471	16.84

The fair value is reflected in the income statement during the vesting period. An amount of Euro 0.7 and Euro 0.1 was charged to the consolidated and the separate income statement of the first three months of 2012, respectively and are recorded in the line "Payroll and employee benefits" with a corresponding entry in the Share Premium.



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, 2011, except for the following:

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.

18. RECLASSIFICATIONS

In the consolidated income statement for the first three months of 2011, an amount of Euro 9.9 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 of the first three months 2011, an amount of Euro 1.4 has been reclassified from “Decrease / (increase) in inventories” to “Write down of inventories” for better presentation of the Group’s movement in inventories.

19. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after March 31, 2012, are as follows:

Euro 900.0 Revolving Facility (Bond Loan)

In April 2012, OTE prepaid an amount of Euro 300.0 in aggregate, which remain committed and can be redrawn.