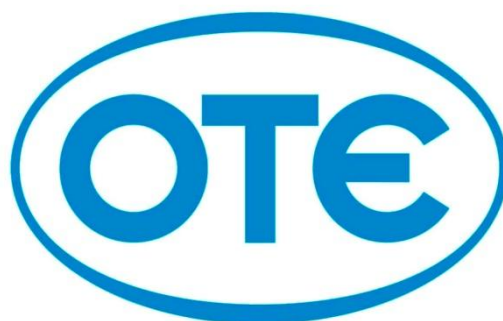


HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



**INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF MARCH 31, 2015**

**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 1-20 were approved by the Board of Directors on May 12, 2015 and are signed by:

Chairman
& Managing Director

Board Member
& OTE Group
Chief Financial Officer

Executive Director
Financial Operations
OTE Group

Accounting Director

Michael Tsamaz

Charalampos Mazarakis

George Mavrakis

Konstantinos Vasilopoulos

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.
REGISTRATION No 1037501000
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INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2015 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	
		31/03/2015	31/12/2014	31/03/2015	31/12/2014
ASSETS					
Non-current assets					
Property, plant and equipment		3,035.2	3,103.3	1,249.7	1,277.5
Goodwill		507.1	505.9	-	-
Telecommunication licenses		583.0	575.4	4.5	4.6
Other intangible assets		610.3	568.2	249.0	225.8
Investments	4	0.1	0.2	3,539.5	3,539.5
Loans and advances to pension funds		102.6	104.4	102.6	104.4
Deferred tax assets		350.4	360.0	175.1	178.6
Other non-current assets		86.2	93.0	64.5	63.4
Total non-current assets		5,274.9	5,310.4	5,384.9	5,393.8
Current assets					
Inventories		105.3	87.9	15.0	11.8
Trade receivables		685.2	684.9	360.8	349.1
Other financial assets		7.6	3.7	2.2	2.2
Other current assets		236.7	203.0	88.0	110.7
Restricted cash		3.9	4.5	-	-
Cash and cash equivalents		1,037.0	1,509.9	42.1	613.1
Total current assets		2,075.7	2,493.9	508.1	1,086.9
TOTAL ASSETS		7,350.6	7,804.3	5,893.0	6,480.7
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	5	1,387.1	1,387.1	1,387.1	1,387.1
Share premium	5	496.7	496.7	496.7	496.7
Treasury shares		(14.8)	(14.8)	(14.8)	(14.8)
Statutory reserve		352.7	352.7	352.7	352.7
Foreign exchange and other reserves		(183.4)	(186.6)	(44.9)	(31.1)
Changes in non-controlling interests		(3,314.1)	(3,314.1)	-	-
Retained earnings		3,441.4	3,401.0	528.4	496.9
Total equity attributable to owners of the Parent		2,165.6	2,122.0	2,705.2	2,687.5
Non-controlling interests		381.1	376.4	-	-
Total equity		2,546.7	2,498.4	2,705.2	2,687.5
Non-current liabilities					
Long-term borrowings	6	2,147.3	2,173.1	1,314.8	1,316.7
Provision for staff retirement indemnities		265.1	244.6	225.8	206.5
Provision for youth account		179.0	188.8	179.0	188.8
Deferred tax liabilities		51.0	60.3	-	-
Other non-current liabilities		225.6	204.2	225.2	205.0
Total non-current liabilities		2,868.0	2,871.0	1,944.8	1,917.0
Current liabilities					
Trade accounts payable		937.4	998.4	359.1	387.6
Short-term borrowings	6	-	-	100.0	270.6
Short-term portion of long-term borrowings	6	33.2	465.4	259.7	692.0
Income tax payable	7	99.0	46.4	7.5	-
Deferred revenue		136.1	143.0	79.5	78.6
Provision for voluntary leave scheme		142.9	142.9	142.9	142.9
Dividends payable		0.5	0.5	0.5	0.5
Other current liabilities		586.8	638.3	293.8	304.0
Total current liabilities		1,935.9	2,434.9	1,243.0	1,876.2
TOTAL EQUITY AND LIABILITIES		7,350.6	7,804.3	5,893.0	6,480.7



INTERIM INCOME STATEMENTS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro except per share data)	Notes	GROUP		COMPANY	
		01/01 - 31/03/2015	01/01 - 31/03/2014	01/01 - 31/03/2015	01/01 - 31/03/2014
Revenue					
Fixed business:					
Retail services revenues		300.1	306.8	214.0	214.4
Wholesale services revenues		147.6	152.4	81.3	85.1
Other revenues		80.8	78.5	53.0	49.5
Total revenues from fixed business		528.5	537.7	348.3	349.0
Mobile business:					
Service revenues		317.9	344.3	-	-
Handset revenues		56.5	54.7	5.7	3.4
Other revenues		4.4	3.6	-	-
Total revenues from mobile business		378.8	402.6	5.7	3.4
Miscellaneous other revenues		33.5	23.4	18.4	18.9
Total revenues		940.8	963.7	372.4	371.3
Other operating income	8	16.1	10.2	4.5	0.3
Operating expenses					
Interconnection and roaming costs		(107.5)	(118.2)	(24.0)	(28.8)
Provision for doubtful accounts		(22.3)	(20.7)	(5.1)	(5.2)
Personnel costs		(174.2)	(174.5)	(80.3)	(82.9)
Costs related to early retirement programs		(4.0)	(0.9)	(3.5)	-
Commission costs		(35.9)	(36.9)	(3.4)	(2.2)
Device costs		(75.7)	(68.5)	(14.1)	(7.8)
Maintenance and repairs		(24.3)	(24.0)	(13.2)	(13.2)
Marketing		(24.0)	(25.9)	(6.5)	(6.9)
Other operating expenses, out of which:		(169.0)	(173.1)	(81.2)	(80.5)
<i>Rental, leasing and facility costs</i>		(48.8)	(48.7)	(25.4)	(25.5)
<i>Third party fees and services</i>		(37.5)	(31.8)	(36.2)	(29.5)
<i>Other taxes and regulatory charges</i>		(21.1)	(25.3)	(4.3)	(3.8)
<i>Construction cost network</i>		(8.4)	-	-	-
<i>Other sundry operating expenses</i>		(53.2)	(67.3)	(15.3)	(21.7)
Total operating expenses before depreciation, amortization and impairment		(636.9)	(642.7)	(231.3)	(227.5)
Operating profit before financial activities and depreciation, amortization and impairment		320.0	331.2	145.6	144.1
Depreciation, amortization and impairment		(200.8)	(195.0)	(72.3)	(69.6)
Operating profit before financial activities		119.2	136.2	73.3	74.5
Income and expense from financial activities					
Interest expense		(39.6)	(47.9)	(26.0)	(34.7)
Interest income		0.8	1.5	0.5	0.5
Foreign exchange differences, net		1.8	(1.4)	1.3	0.3
Impairment of investments and other financial assets		(2.2)	-	-	-
Gains from investments and financial assets		-	0.1	-	0.1
Total loss from financial activities		(39.2)	(47.7)	(24.2)	(33.8)
Profit before tax		80.0	88.5	49.1	40.7
Income tax	7	(41.0)	(33.6)	(17.6)	(14.8)
Profit for the period		39.0	54.9	31.5	25.9
Attributable to:					
Owners of the parent		40.4	55.8	31.5	25.9
Non-controlling interests		(1.4)	(0.9)	-	-
Profit for the period		39.0	54.9	31.5	25.9
Earnings per share attributable to owners of the Parent					
Basic earnings per share	9	0.0827	0.1149		
Diluted earnings per share	9	0.0826	0.1140		



INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	GROUP		COMPANY	
	01/01- 31/03/2015	01/01- 31/03/2014	01/01- 31/03/2015	01/01- 31/03/2014
Profit for the period	39.0	54.9	31.5	25.9
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Actuarial losses	(18.6)	(8.2)	(18.6)	(8.2)
Deferred taxes on actuarial losses	4.8	2.1	4.8	2.1
Total items that will not be reclassified subsequently to profit or loss	(13.8)	(6.1)	(13.8)	(6.1)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	21.5	4.4	-	-
Net movement in available for sale financial assets	2.2	0.2	-	0.2
Deferred taxes on remeasurement to fair value of available-for-sale financial assets	(0.6)	-	-	-
Total items that may be reclassified subsequently to profit or loss	23.1	4.6	-	0.2
Other comprehensive income / (loss) for the period	9.3	(1.5)	(13.8)	(5.9)
Total comprehensive income for the period	48.3	53.4	17.7	20.0
Attributable to:				
Owners of the Parent	43.6	53.3	17.7	20.0
Non-controlling interests	4.7	0.1	-	-
	48.3	53.4	17.7	20.0



INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(Amounts in millions of Euro)	Attributed to equity holders of the parent								Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total		
Balance as at January 1, 2014	1,387.1	511.9	(11.2)	347.2	(157.9)	(3,315.2)	3,158.4	1,920.3	375.4	2,295.7
Profit / (loss) for the period	-	-	-	-	-	-	55.8	55.8	(0.9)	54.9
Other comprehensive income / (loss)	-	-	-	-	(2.5)	-	-	(2.5)	1.0	(1.5)
Total comprehensive income / (loss)	-	-	-	-	(2.5)	-	55.8	53.3	0.1	53.4
Acquisition of treasury shares	-	-	(52.5)	-	-	-	-	(52.5)		(52.5)
Balance as at March 31, 2014	1,387.1	511.9	(63.7)	347.2	(160.4)	(3,315.2)	3,214.2	1,921.1	375.5	2,296.6
Balance as at January 1, 2015	1,387.1	496.7	(14.8)	352.7	(186.6)	(3,314.1)	3,401.0	2,122.0	376.4	2,498.4
Profit / (loss) for the period	-	-	-	-	-	-	40.4	40.4	(1.4)	39.0
Other comprehensive income / (loss)	-	-	-	-	3.2	-	-	3.2	6.1	9.3
Total comprehensive income / (loss)	-	-	-	-	3.2	-	40.4	43.6	4.7	48.3
Balance as at March 31, 2015	1,387.1	496.7	(14.8)	352.7	(183.4)	(3,314.1)	3,441.4	2,165.6	381.1	2,546.7



INTERIM STATEMENT OF CHANGES IN EQUITY (SEPARATE)

(Amounts in millions of Euro)	Share capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Total equity
Balance as at January 1, 2014	1,387.1	511.9	(11.2)	347.2	(11.3)	393.1	2,616.8
Profit for the period	-	-	-	-	-	25.9	25.9
Other comprehensive income / (loss)	-	-	-	-	(5.9)	-	(5.9)
Total comprehensive income / (loss)	-	-	-	-	(5.9)	25.9	20.0
Acquisition of own shares	-	-	(52.5)	-	-	-	(52.5)
Balance as at March 31, 2014	1,387.1	511.9	(63.7)	347.2	(17.2)	419.0	2,584.3
Balance as at January 1, 2015	1,387.1	496.7	(14.8)	352.7	(31.1)	496.9	2,687.5
Profit for the period	-	-	-	-	-	31.5	31.5
Other comprehensive income / (loss)	-	-	-	-	(13.8)	-	(13.8)
Total comprehensive income / (loss)	-	-	-	-	(13.8)	31.5	17.7
Balance as at March 31, 2015	1,387.1	496.7	(14.8)	352.7	(44.9)	528.4	2,705.2



INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01-31/03/2015	01/01-31/03/2014	01/01-31/03/2015	01/01-31/03/2014
Cash flows from operating activities					
Profit before tax		80.0	88.5	49.1	40.7
Adjustments for:					
Depreciation, amortization and impairment		200.8	195.0	72.3	69.6
Costs related to early retirement programs		4.0	0.9	3.5	-
Provision for staff retirement indemnities		2.9	2.3	2.2	1.8
Provision for youth account		0.8	0.7	0.8	0.7
Provision for write down of inventories		1.8	1.8	1.4	-
Provision for doubtful accounts		22.3	20.7	5.1	5.2
Other provisions		-	0.8	-	(0.1)
Foreign exchange differences, net		(1.8)	1.4	(1.3)	(0.3)
Interest income		(0.8)	(1.5)	(0.5)	(0.5)
(Gains) / losses from investments and financial assets - Impairments		2.2	(0.1)	-	(0.1)
Interest expense		39.6	47.9	26.0	34.7
Working capital adjustments:					
Decrease / (increase) in inventories		(18.2)	(5.7)	(4.6)	0.9
Decrease / (increase) in receivables		(70.3)	(16.2)	(24.6)	4.4
(Decrease) / increase in liabilities (except borrowings)		18.5	(66.7)	(15.3)	(35.2)
Plus / (Minus):					
Payment for early retirement programs and voluntary leave scheme		(2.2)	(26.6)	(1.5)	(25.3)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(8.0)	(1.8)	(8.0)	(1.8)
Interest and related expenses paid		(61.5)	(85.1)	(44.1)	(67.6)
Income taxes paid		(5.0)	(76.8)	(0.3)	(38.8)
Net cash flows from / (used in) operating activities		205.1	79.5	60.2	(11.7)
Cash flows from investing activities					
Repayment of loans receivable		3.0	2.8	3.0	2.8
Purchase of property plant and equipment and intangible assets		(228.2)	(123.4)	(46.0)	(38.5)
Movement in restricted cash		0.6	0.8	-	-
Interest received		0.7	1.0	0.6	0.6
Net cash flows used in investing activities		(223.9)	(118.8)	(42.4)	(35.1)
Cash flows from financing activities					
Share option plan		-	-	17.3	-
Acquisition of treasury shares, net of exercise proceeds		-	(58.6)	-	(58.6)
Proceeds from loans granted and issued		-	-	-	259.7
Repayment of loans	6	(459.5)	(0.9)	(606.1)	-
Dividends paid to Company's owners		-	(0.4)	-	(0.4)
Net cash flows from / (used in) financing activities		(459.5)	(59.9)	(588.8)	200.7
Net increase / (decrease) in cash and cash equivalents		(478.3)	(99.2)	(571.0)	153.9
Cash and cash equivalents, at the beginning of the period		1,509.9	1,444.3	613.1	426.6
Net foreign exchange differences		5.4	(0.8)	-	-
Cash and cash equivalents, at the end of the period		1,037.0	1,344.3	42.1	580.5



1. CORPORATE INFORMATION

Hellenic Telecommunications Organization S.A. (“Company”, “OTE” or “parent”), was incorporated as a société anonyme in Athens, Greece in 1949, and is listed in the Greek General Commercial Registry (Γ.Ε.ΜΗ.) with the unique number 1037501000. The registered office is located at 99 Kifissias Avenue – 151 24 Maroussi Athens, Greece, and the website is www.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, 2015 holds a 40.00% interest in OTE (see Note 5).

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

The Interim Condensed Consolidated and Separate Financial Statements (“interim financial statements”) as of March 31, 2015 and for the three month period then ended, were approved for issuance by the Board of Directors on May 12, 2015.

The total numbers of Group and Company employees as of March 31, 2015 and 2014 and as of December 31, 2014, were as follows:

	GROUP	COMPANY
March 31, 2015	22,089	8,921
December 31, 2014	22,144	6,924
March 31, 2014	22,769	6,868

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	31/03/2015	31/12/2014
			GROUP’S OWNERSHIP INTEREST	
COSMOTE MOBILE TELECOMMUNICATIONS S.A. (“COSMOTE”)	Mobile telecommunications services	Greece	100.00%	100.00%
OTE INTERNATIONAL INVESTMENTS LTD	Investment holding company	Cyprus	100.00%	100.00%
COSMO-ONE HELLAS MARKET SITE S.A. (“COSMO-ONE”)	E-commerce services	Greece	61.74%	61.74%
OTE PLC	Financing services	U.K.	100.00%	100.00%
OTE SAT-MARITEL S.A. (“OTE SAT – MARITEL”)	Satellite telecommunications services	Greece	94.08%	94.08%
OTE PLUS TECHNICAL AND BUSINESS SOLUTIONS S.A. – SECURITY SERVICES (“OTE PLUS”)	Consulting and security services	Greece	100.00%	100.00%
DIERGASIA ENERGY TECHNICAL COMMERCIAL S.A. – GENERAL CONSTRUCTION COMPANY (“DIERGASIA”) (see below)	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%
TELEKOM ROMANIA COMMUNICATIONS S.A. (“TELEKOM ROMANIA”)	Fixed line telephony services	Romania	54.01%	54.01%
NEXTGEN COMMUNICATIONS SRL (“NEXTGEN”)	Telecommunications services	Romania	54.01%	54.01%
TELEKOM ROMANIA MOBILE TELECOMMUNICATIONS S.A. (“TELEKOM ROMANIA MOBILE”)	Mobile telecommunications services	Romania	86.20%	86.20%
COSMO-HOLDING ALBANIA S.A. (“CHA”) (see below)	Investment holding company	Greece	100.00%	100.00%
ALBANIAN MOBILE COMMUNICATIONS Sh.a (“AMC”)	Mobile telecommunications services	Albania	99.76%	99.76%
GERMANOS S.A. (“GERMANOS”)	Retail services	Greece	100.00%	100.00%
COSMOTE E-VALUE (ex E-VALUE S.A.) (see below)	Marketing services	Greece	100.00%	100.00%



COMPANY NAME	LINE OF BUSINESS	COUNTRY	31/03/2015	31/12/2014
			GROUP'S OWNERSHIP INTEREST	
GERMANOS TELECOM ROMANIA S.A.	Retail services	Romania	100.00%	100.00%
SUNLIGHT ROMANIA S.R.L. FILIALA	Retail services	Romania	100.00%	100.00%
MOBILBEEEP LTD	Retail services	Greece	100.00%	100.00%
OTE INVESTMENT SERVICES S.A.	Investment 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%
COSMOHOLDING INTERNATIONAL B.V.	Investment holding company	Netherlands	100.00%	100.00%
E-VALUE INTERNATIONAL S.A.	Marketing services	Romania	100.00%	100.00%
OTE RURAL NORTH SPECIAL PURPOSE DEVELOPMENT AND MANAGEMENT OF BROADBAND INFRASTRUCTURE S.A. ("OTE RURAL NORTH")	Wholesale broadband and infrastructure services	Greece	100.00%	100.00%
OTE RURAL SOUTH SPECIAL PURPOSE DEVELOPMENT AND MANAGEMENT OF BROADBAND INFRASTRUCTURE S.A. ("OTE RURAL SOUTH")	Wholesale broadband and infrastructure services	Greece	100.00%	100.00%

DISSOLUTION AND LIQUIDATION OF DIERGASIA

On June 21, 2013, the Extraordinary General Assembly of Shareholders of DIERGASIA (OTE PLUS's wholly owned subsidiary) decided to proceed with the dissolution and liquidation of DIERGASIA.

MERGER OF CHA

On September 4, 2014, the Board of Directors of COSMOTE and CHA approved the initiation of the merger process between CHA and COSMOTE, by which CHA will be absorbed by COSMOTE.

REBRANDING OF E-VALUE S.A.

On February 16, 2015, the Board of Directors of E-VALUE S.A. approved the rebranding of E-VALUE S.A. to COSMOTE E-VALUE. The relevant decision was published on the General Commercial Registry (Γ.Ε.ΜΗ.) on February 25, 2015.

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, 2014, which are available on the Company's website <https://www.ote.gr/web/guest/corporate/ir/financial-results/financial-statements-of-ote-group-and-ote-sa>.

The interim financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss, available-for-sale financial assets and derivative financial instruments which have been measured at fair values in accordance with IFRS. 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, 2014.

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, 2014 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, 2015, noted below:



New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years.

Standards and Interpretations effective for the current financial year

- **IFRIC 21 “Levies”** (effective for annual periods beginning on or after June 17, 2014): This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.

Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after January 1, 2015):

The amendments set out below describe the key changes to three IFRSs, following the publication of the results of the IASB’s 2011-2013 cycle of the annual improvements project.

- **IFRS 3 “Business Combinations”:** This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.
- **IFRS 13 “Fair Value Measurement”:** The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.
- **IAS 40 “Investment Property”:** The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

Standards and Interpretations effective for subsequent periods

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2015, and have not been applied in preparing these consolidated financial statements. The Group is currently investigating the impact of the new standards and amendments on its financial statements.

- **IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7** (effective for annual periods beginning on or after January 1, 2018): IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. It also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The standard has not yet been endorsed by the EU.
- **IFRS 15 “Revenue from Contracts with Customers”** (effective for annual periods beginning on or after January 1, 2017): The objective of the Standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard has not yet been endorsed by the EU.
- **IAS 19 (Amendment) “Employee Benefits”** (effective for annual periods beginning on or after February 1, 2015): This narrow scope amendment applies to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- **IFRS 11 (Amendment) “Joint Arrangements”** (effective for annual periods beginning on or after January 1, 2016): This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a “business”. This amendment has not yet been endorsed by the EU.
- **IAS 16 and IAS 38 (Amendments) “Clarification of Acceptable Methods of Depreciation and Amortization”** (effective for annual periods beginning on or after January 1, 2016): These amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and they also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments have not yet been endorsed by the EU.
- **IAS 27 (Amendment) “Separate Financial Statements”** (effective for annual periods beginning on or after January 1, 2016): This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures



and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment has not yet been endorsed by the EU.

- **IFRS 10 and IAS 28 (Amendments) “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”** (effective for annual periods beginning on or after January 1, 2016): These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments have not yet been endorsed by the EU.
- **IAS 1 (Amendment) “Disclosure initiative”** (effective for annual periods beginning on or after January 1, 2016): This amendment clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment has not yet been endorsed by the EU.
- **IFRS 10, IFRS 12 and IAS 28 (Amendments) “Investment Entities: Applying the Consolidation Exception”** (effective for annual periods beginning on or after January 1, 2016): These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after February 1, 2015):

The amendments set out below describe the key changes to six IFRSs, following the publication of the results of the IASB’s 2010-2012 cycle of the annual improvements project.

- **IFRS 2 “Share-based Payment”**: The amendment clarifies the definition of a “vesting condition” and separately defines “performance condition” and “service condition”.
- **IFRS 3 “Business Combinations”**: The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 “Financial instruments: Presentation”. It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.
- **IFRS 8 “Operating Segments”**: The amendment requires disclosure of the judgments made by management in aggregating operating segments.
- **IFRS 13 “Fair Value Measurement”**: The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.
- **IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”**: Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.
- **IAS 24 “Related Party Disclosures”**: The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after January 1, 2016):

The amendments set out below describe the key changes to four IFRSs, following the publication of the results of the IASB’s 2012-2014 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

- **IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”**: The amendment clarifies that, when an asset (or disposal group) is reclassified from “held for sale” to “held for distribution”, or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.
- **IFRS 7 “Financial Instruments: Disclosures”**: The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, “Disclosure – Offsetting financial assets and financial liabilities” is not specifically required for all interim periods, unless required by IAS 34.
- **IAS 19 “Employee Benefits”**: The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.



- **IAS 34 “Interim Financial Reporting”:** The amendment clarifies what is meant by the reference in the standard to “information disclosed elsewhere in the interim financial report”.

4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
(a) Investments in subsidiaries	-	-	3,539.4	3,539.4
(b) Other investments	0.1	0.2	0.1	0.1
TOTAL	0.1	0.2	3,539.5	3,539.5

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	31/03/2015	31/12/2014
COSMOTE	100.00%	Greece	2,762.9	2,762.9
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	401.9	401.9
COSMO-ONE	30.87%	Greece	0.5	0.5
OTE SAT- MARITEL	94.08%	Greece	4.6	4.6
OTE PLC	100.00%	U.K.	0.1	0.1
OTE PLUS	100.00%	Greece	8.2	8.2
OTE ESTATE	100.00%	Greece	193.2	193.2
OTE GLOBE	100.00%	Greece	163.7	163.7
OTE INSURANCE	100.00%	Greece	0.1	0.1
OTE ACADEMY	100.00%	Greece	0.2	0.2
OTE RURAL NORTH	100.00%	Greece	1.8	1.8
OTE RURAL SOUTH	100.00%	Greece	2.2	2.2
TOTAL			3,539.4	3,539.4

5. SHARE CAPITAL – SHARE PREMIUM

OTE's share capital as of March 31, 2015 and as of December 31, 2014, amounted to Euro 1,387.1 divided into 490,150,389 registered shares, with a nominal value of Euro 2.83 (absolute amount) per share. The share premium as of March 31, 2015 and as of December 31, 2014, amounted to Euro 496.7.

The following is an analysis of the ownership of OTE's shares as of March 31, 2015:

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	209,186,168	42.68%
Private investors	34,519,072	7.04%
Treasury shares	1,369,951	0.28%
TOTAL	490,150,389	100.00%



6. LONG-TERM AND SHORT-TERM BORROWINGS

LONG -TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	31/03/2015	31/12/2014
(a) Syndicated loans	166.2	165.9
(b) Global Medium-Term Note Programme	2,014.3	2,472.6
Total long-term debt	2,180.5	2,638.5
Short-term portion	(33.2)	(465.4)
Long-term portion	2,147.3	2,173.1

Repayment of Euro 787.7 Notes due February 12, 2015

In January and February 2015, OTE PLC proceeded with the repurchase of a nominal amount of Euro 49.8, under the Euro 787.7 Notes maturing February 12, 2015, along with the payment of accrued interest. The Notes were surrendered for cancellation. On February 12, 2015, OTE PLC proceeded with the full redemption of the remaining outstanding amount of Euro 382.6 under the above Notes along with the payment of the accrued interest.

Bond buybacks

In January and March 2015, OTE PLC proceeded with the repurchase of a nominal amount of Euro 27.1, under the Euro 900.0 Notes maturing on May 20, 2016, along with the payment of accrued interest. The Notes were surrendered for cancellation. As a result, the outstanding nominal amount of the Euro 900.0 Notes is Euro 629.5.

COMPANY	31/03/2015	31/12/2014
Intercompany loans from OTE PLC	1,574.5	2,008.7
Total long-term debt	1,574.5	2,008.7
Short-term portion	(259.7)	(692.0)
Long-term portion	1,314.8	1,316.7

Repayment of loan granted from OTE PLC

In January and February 2015, OTE proceeded with partial prepayments of a nominal amount of Euro 49.8 under the Euro 600.0 loan from OTE PLC maturing on February 11, 2015 along with the payment of the accrued interest. In February 2015, OTE proceeded with the full repayment of the remaining outstanding amount of Euro 382.6 under the above loan, along with the payment of accrued interest.

Prepayment of loan granted from OTE PLC

On March 20, 2015, OTE proceeded with partial prepayment to OTE PLC of a nominal amount of Euro 2.9 under the Euro 575.0 bond loan maturing on May 19, 2016.

SHORT -TERM BORROWINGS

COMPANY

The outstanding balance of short-term borrowings as of March 31, 2015 for the Company amounted to Euro 100.0 (December 31, 2014: Euro 270.6).

Prepayments under loans granted from OTE PLC

On February 20, 2015, OTE proceeded with the full prepayment to OTE PLC of the Euro 51.0 bond loan maturing on May 29, 2015 along with the payment of accrued interest.

In February and March, 2015, OTE proceeded with partial prepayments to OTE PLC of a subscription amount of Euro 119.8 along with the payment of the accrued yield under the Euro 170.7 zero coupon bond loan maturing on December 10, 2015.



7. INCOME TAXES

The corporate income tax rate of legal entities in Greece is set at 26% for fiscal year 2013 onwards.

Unaudited tax years

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

COMPANY	Open Tax Years
OTE	2014
COSMOTE	2010, 2014
OTE INTERNATIONAL INVESTMENTS LTD	2010 - 2014
COSMO-ONE	2010, 2014
OTE PLC	2013 - 2014
OTESAT-MARITEL	2007 - 2010 and 2014
OTE PLUS	2010, 2014
OTE ESTATE	2008 - 2010 and 2014
OTE-GLOBE	2010, 2014
OTE INSURANCE	2010, 2014
OTE ACADEMY	2010, 2014
HATWAVE	1996 - 2014
OTE INVESTMENTS SERVICES S.A.	2010, 2014
TELEKOM ROMANIA	2006 - 2014
NEXTGEN	2008 - 2014
AMC	2013 - 2014
TELEKOM ROMANIA MOBILE	2007 - 2014
GERMANOS	2010, 2014
COSMOTE E-VALUE	2010, 2014
GERMANOS TELECOM ROMANIA S.A.	2008 - 2014
SUNLIGHT ROMANIA S.R.L. - FILIALA	2008 - 2014
MOBILBEEEP LTD	2010 - 2014
CHA	2007 - 2011 and 2014
COSMOHOLDING ROMANIA LTD	2009 - 2014
ZAPP	2009 - 2014
E-VALUE LTD	2010, 2014
COSMOHOLDING INTERNATIONAL B.V.	2014
E-VALUE INTERNATIONAL S.A.	2014
OTE RURAL NORTH	2014
OTE RURAL SOUTH	2014

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

For the Greek companies of the Group, the tax audit for the financial year 2014 is being performed by PricewaterhouseCoopers S.A. and the "Tax Compliance Report" will be issued in the second quarter of 2015. Upon completion of the tax audit, management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

- The tax audit for CHA for the fiscal years 2007 - 2011 is in progress.
- The tax audit for OTESAT - MARITEL for the fiscal year 2008 is in progress.
- The tax audit for TELEKOM ROMANIA MOBILE for the fiscal years 2007 - 2012 is in progress.
- The tax audit for OTE ESTATE for the fiscal years 2008 - 2010 is in progress.

The major components of income tax expense are as follows:

	GROUP		COMPANY	
	01/01-31/03/2015	01/01-31/03/2014	01/01-31/03/2015	01/01-31/03/2014
Current income tax	36.4	20.9	9.2	-
Deferred income tax	4.6	12.7	8.4	14.8
Total income tax	41.0	33.6	17.6	14.8



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2015 AND FOR THE THREE MONTH PERIOD THEN ENDED

Included in the current income tax of the first quarter 2015, is an amount of Euro 9.0 and Euro 3.0 for the Group and the Company, respectively, that relates to a reassessment of the income tax charge for the prior year 2014, following clarifications issued by the Greek tax authorities.

Income tax payable for the Group and the Company as of March 31, 2015 amounted to Euro 99.0 and 7.5, respectively (December 31, 2014: Euro 46.4 and nill, respectively).

8. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

	GROUP		COMPANY	
	01/01-31/03/2015	01/01-31/03/2014	01/01-31/03/2015	01/01-31/03/2014
Income from disposal of property, plant and equipment	6.0	4.3	-	-
Income from contract penalties	6.7	2.8	4.0	-
Income from investment property	1.9	1.9	-	-
Other	1.5	1.2	0.5	0.3
TOTAL	16.1	10.2	4.5	0.3

9. 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 year that have a dilutive effect on earnings per share.

Earnings per share are analyzed as follows:

GROUP	01/01-31/03/2015	01/01-31/03/2014
Profit attributable to owners of the parent	40.4	55.8
Weighted average number of shares for basic earnings per share	488,780,438	485,805,296
Share options	4,049,086	11,915,013
Weighted average number of shares adjusted for the effect of dilutions	488,936,382	489,313,987
Basic earnings per share	0.0827	0.1149
Diluted earnings per share	0.0826	0.1140

(Earnings per share are in absolute amounts)

10. OPERATING SEGMENT INFORMATION

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

Using the quantitative thresholds, OTE, COSMOTE group and TELEKOM ROMANIA have been determined to be reportable segments. Information about operating segments that do not constitute reportable segments has been combined and disclosed in an "Other" category. 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, internet access services and TV services in Greece.
- COSMOTE group is a provider of mobile telecommunications services in Greece, Albania and Romania.
- TELEKOM ROMANIA is a provider of local, long-distance and international fixed-line voice telephony, internet access services and TV services in Romania.

Accounting policies of the operating segments are the same as those followed for the preparation of the financial statements. Intersegment revenues are generally reported at values that approximate third-party selling prices. Management evaluates segment performance based on operating profit before depreciation, amortization, impairment, costs related to early retirement programs and other restructuring costs; operating profit /(loss) and profit /(loss) for the period.



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

Three month period ended March 31, 2015	OTE	COSMOTE GROUP	TELEKOM ROMANIA	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	351.7	374.4	143.1	71.6	940.8	-	940.8
Intersegment revenue	20.7	34.4	5.6	47.1	107.8	(107.8)	-
Total revenue	372.4	408.8	148.7	118.7	1,048.6	(107.8)	940.8
Operating expenses	(303.6)	(374.9)	(155.7)	(112.2)	(946.4)	108.7	(837.7)
Operating profit / (loss)	73.3	34.6	(0.1)	11.4	119.2	-	119.2
Operating profit before depreciation, amortization, impairment, costs related to early retirement programs and other restructuring costs	149.1	126.4	32.8	17.7	326.0	-	326.0
Profit / (loss) for the period	31.5	2.3	(3.1)	8.3	39.0	-	39.0

Three month period ended March 31, 2014	OTE	COSMOTE GROUP	TELEKOM ROMANIA	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	352.3	401.9	150.0	59.5	963.7	-	963.7
Intersegment revenue	19.0	26.7	6.7	44.7	97.1	(97.1)	-
Total revenue	371.3	428.6	156.7	104.2	1,060.8	(97.1)	963.7
Operating expenses	(297.1)	(374.2)	(164.1)	(100.2)	(935.6)	97.9	(837.7)
Operating profit	74.5	54.8	2.1	4.8	136.2	-	136.2
Operating profit before depreciation, amortization, impairment, costs related to early retirement programs and other restructuring costs	144.1	139.4	38.5	11.4	333.4	-	333.4
Profit / (loss) for the period	25.9	26.8	(1.1)	3.3	54.9	-	54.9

11. 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:

	01/01-31/03/2015		01/01-31/03/2014	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE group of companies	17.1	26.3	15.7	15.5
OTE INTERNATIONAL INVESTMENTS LTD	0.1	0.8	0.2	0.9
COSMO-ONE	-	0.1	-	0.1
VOICENET	n/a	n/a	0.3	0.5
OTE SAT - MARITEL	0.1	0.1	0.2	0.1
OTE PLUS	0.2	17.4	0.1	13.6
OTE ESTATE	-	11.0	-	11.5
OTE-GLOBE	2.4	11.5	2.5	11.9
OTE ACADEMY	-	1.9	-	0.9
OTE RURAL NORTH	0.4	-	-	-
OTE RURAL SOUTH	0.4	-	-	-
TELECOM ROMANIA	-	-	-	0.1
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.6	0.4	-	0.2
TOTAL	21.3	69.5	19.0	55.3



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2015 AND FOR THE THREE MONTH PERIOD THEN ENDED

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

	01/01-31/03/2015		01/01-31/03/2014	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	5.8	6.7	5.9	5.0
TOTAL	5.8	6.7	5.9	5.0

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

	Finance expense OTE	
	01/01-31/03/2015	01/01-31/03/2014
OTE PLC	22.6	34.9
TOTAL	22.6	34.9

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

	31/03/2015		31/12/2014	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE group of companies	67.2	110.4	85.7	117.2
OTE INTERNATIONAL INVESTMENTS LTD	0.1	0.6	0.2	1.0
COSMO-ONE	-	0.1	-	0.1
OTE SAT - MARITEL	3.4	4.5	3.3	4.5
OTE PLUS	0.6	20.1	0.5	23.6
OTE ESTATE	0.5	4.6	0.5	4.6
OTE-GLOBE	13.4	42.7	14.8	53.5
OTE ACADEMY	0.5	1.7	0.5	1.1
OTE RURAL NORTH	0.5	-	-	-
OTE RURAL SOUTH	0.5	-	-	-
TELECOM ROMANIA	0.5	0.2	0.5	0.2
DEUTSCHE TELEKOM group of companies (except for OTE Group)	1.8	1.2	1.3	1.6
TOTAL	89.0	186.1	107.3	207.4

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:

	31/3/2015		31/12/2014	
	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)	23.5	74.7	17.3	72.6
TOTAL	23.5	74.7	17.3	72.6

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

	Amounts owed by OTE	
	31/03/2015	31/12/2014
OTE PLC	1,718.6	2,344.5
TOTAL	1,718.6	2,344.5

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 1.4 for the first three months of 2015 (first three months of 2014: Euro 1.0).

As of March 31, 2015, 680,314 options under OTE's share based payment plan that have been granted to the Company's key management personnel, are outstanding.



12. 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, 2014.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

The following tables compare the carrying amount of the Group's and the Company's financial instruments that are carried at amortized cost to their fair value:

GROUP	Carrying Amount		Fair value	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
Financial Assets				
Trade receivables	685.2	684.9	685.2	684.9
Loans to Auxiliary Fund	114.5	116.1	149.8	148.5
Other loans	68.1	70.7	68.1	70.7
Restricted cash	3.9	4.5	3.9	4.5
Cash and cash equivalents	1,037.0	1,509.9	1,037.0	1,509.9
Financial Liabilities				
Long-term borrowings	2,147.3	2,173.1	2,087.8	2,232.1
Short-term borrowings and short-term portion of long-term borrowings	33.2	465.4	34.6	468.4
Trade accounts payable	937.4	998.4	937.4	998.4

COMPANY	Carrying Amount		Fair value	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
Financial Assets				
Trade receivables	360.8	349.1	360.8	349.1
Loans to Auxiliary Fund	114.5	116.1	149.8	148.5
Other loans	67.5	70.1	67.5	70.1
Cash and cash equivalents	42.1	613.1	42.1	613.1
Financial Liabilities				
Long-term borrowings	1,314.8	1,316.7	1,246.7	1,320.9
Short-term borrowings and short-term portion of long-term borrowings	359.7	962.6	355.1	961.8
Trade accounts payable	359.1	387.6	359.1	387.6

The fair value of cash and cash equivalents, trade receivables, other loans and trade accounts payable approximate their carrying amounts. The fair values of the remaining financial assets and financial liabilities are based on cash flows discounted using either direct or indirect observable inputs and are within the Level 2 of the fair value hierarchy.



As at March 31, 2015, the Group and the Company held the following financial instruments measured at fair value:

GROUP	Fair value		Fair value hierarchy
	31/03/2015	31/12/2014	
Financial Assets			
Available-for-sale mutual funds	3.7	3.7	Level 1
Available-for-sale mutual funds	3.9	-	Level 3
Other non-current financial assets	-	3.9	Level 3

COMPANY	Fair value		Fair value hierarchy
	31/03/2015	31/12/2014	
Financial Assets			
Available-for-sale mutual funds	2.2	2.2	Level 1

14. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after March 31, 2015 are as follows:

GROUP

[Principal repayment under the Syndicated Loan arranged by the European Bank for Reconstruction and Development \("EBRD"\)](#)

On April 27, 2015, TELEKOM ROMANIA MOBILE proceeded with the repayment of total Euro 33.8 under the syndicated facility with EBRD, along with the payment of accrued interest.

COMPANY

[New loans granted from OTE PLC](#)

On April 27, 2015, OTE signed a Euro 20.0 bond loan agreement with OTE PLC maturing on May 19, 2016. The proceeds were used for debt refinancing.

[Prepayments under loans granted from OTE PLC](#)

On April 28, 2015, OTE proceeded with the full prepayment to OTE PLC of the Euro 53.0 bond loan maturing on June 10, 2015 along with the payment of accrued interest.