

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



GROUP OF COMPANIES

INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF MARCH 31, 2016

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 April 25, 2016 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
99 KIFISSIAS AVE-151 24 MAROUSSI ATHENS, GREECE

INTERIM CONDENSED FINANCIAL STATEMENTS AS OF MARCH 31, 2016 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	
		31/03/2016	31/12/2015	31/03/2016	31/12/2015
ASSETS					
Non-current assets					
Property, plant and equipment		2,895.1	2,950.6	1,197.9	1,216.7
Goodwill		506.6	506.4	-	-
Telecommunication licenses		532.0	543.0	4.0	4.1
Other intangible assets		528.3	533.4	221.1	214.6
Investments	4	0.1	0.1	3,539.6	3,539.5
Loans to pension funds		87.7	88.2	87.7	88.2
Deferred tax assets		346.7	339.8	154.7	149.0
Other non-current assets		96.2	88.4	67.7	65.9
Total non-current assets		4,992.7	5,049.9	5,272.7	5,278.0
Current assets					
Inventories		105.2	97.2	18.7	18.1
Trade receivables		725.5	728.6	346.5	354.4
Other financial assets		6.8	6.8	2.0	2.1
Other current assets		261.3	252.4	93.1	103.8
Restricted cash		3.3	2.8	-	-
Cash and cash equivalents		1,329.7	1,322.5	184.4	290.3
Total current assets		2,431.8	2,410.3	644.7	768.7
TOTAL ASSETS		7,424.5	7,460.2	5,917.4	6,046.7
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	496.4	496.3	496.4	496.3
Treasury shares		(14.7)	(14.7)	(14.7)	(14.7)
Statutory reserve		357.3	357.3	357.3	357.3
Foreign exchange and other reserves		(170.9)	(164.1)	(27.7)	(17.3)
Changes in non-controlling interests		(3,314.1)	(3,314.1)	-	-
Retained earnings		3,543.1	3,509.2	578.5	545.8
Total equity attributable to owners of the Parent		2,284.2	2,257.0	2,776.9	2,754.5
Non-controlling interests	4	348.7	352.2	-	-
Total equity		2,632.9	2,609.2	2,776.9	2,754.5
Non-current liabilities					
Long-term borrowings	6	1,756.0	1,755.6	1,089.4	1,089.1
Provision for staff retirement indemnities		234.8	219.1	200.7	185.4
Provision for youth account		156.8	157.2	156.8	157.2
Deferred tax liabilities		56.0	55.3	-	-
Other non-current liabilities		172.4	174.9	183.1	164.3
Total non-current liabilities		2,376.0	2,362.1	1,630.0	1,596.0
Current liabilities					
Trade accounts payable		1,102.7	1,202.5	394.5	460.4
Short-term borrowings	6	-	-	328.9	492.0
Short-term portion of long-term borrowings	6	433.7	433.5	256.8	256.4
Income tax payable	7	49.6	30.4	16.8	-
Deferred revenue		143.3	150.9	82.4	84.6
Provision for voluntary leave scheme		140.5	140.7	140.5	140.7
Dividends payable		0.3	0.3	0.3	0.3
Other current liabilities		545.5	530.6	290.3	261.8
Total current liabilities		2,415.6	2,488.9	1,510.5	1,696.2
TOTAL EQUITY AND LIABILITIES		7,424.5	7,460.2	5,917.4	6,046.7

INTERIM INCOME STATEMENTS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro except per share data)	Notes	GROUP		COMPANY	
		01/01 - 31/03/2016	01/01 - 31/03/2015	01/01 - 31/03/2016	01/01 - 31/03/2015
Revenue					
Fixed business:					
Retail services revenues		299.0	300.1	220.6	214.0
Wholesale services revenues		149.2	147.6	81.4	81.3
Other revenues		75.0	80.8	54.5	53.0
Total revenues from fixed business		523.2	528.5	356.5	348.3
Mobile business:					
Service revenues		313.4	317.9	-	-
Handset revenues		51.1	56.5	4.8	5.7
Other revenues		4.5	4.4	-	-
Total revenues from mobile business		369.0	378.8	4.8	5.7
Miscellaneous other revenues		36.3	33.5	17.6	18.4
Total revenues		928.5	940.8	378.9	372.4
Other operating income	8	8.7	16.1	2.3	4.5
Operating expenses					
Interconnection and roaming costs		(120.9)	(107.5)	(25.0)	(24.0)
Provision for doubtful accounts		(21.3)	(22.3)	(4.9)	(5.1)
Personnel costs		(161.8)	(174.2)	(80.3)	(80.3)
Costs related to early retirement programs		(2.9)	(4.0)	(2.6)	(3.5)
Commission costs		(35.5)	(35.9)	(3.7)	(3.4)
Merchandise costs		(61.6)	(75.7)	(10.4)	(14.1)
Maintenance and repairs		(26.7)	(24.3)	(9.8)	(13.2)
Marketing		(22.2)	(24.0)	(6.6)	(6.5)
Other operating expenses, out of which:		(178.9)	(169.0)	(79.4)	(81.2)
<i>Rental, leasing and facility costs</i>		(53.3)	(48.8)	(25.3)	(25.4)
<i>Third party fees and services</i>		(46.8)	(37.5)	(35.7)	(36.2)
<i>Other taxes and regulatory charges</i>		(20.8)	(21.1)	(4.1)	(4.3)
<i>Construction cost network</i>		(6.3)	(8.4)	-	-
<i>Other sundry operating expenses</i>		(51.7)	(53.2)	(14.3)	(15.3)
Total operating expenses before depreciation, amortization and impairment		(631.8)	(636.9)	(222.7)	(231.3)
Operating profit before financial activities and depreciation, amortization and impairment		305.4	320.0	158.5	145.6
Depreciation, amortization and impairment		(208.2)	(200.8)	(82.5)	(72.3)
Operating profit before financial activities		97.2	119.2	76.0	73.3
Income and expense from financial activities					
Interest and related expenses		(36.1)	(39.6)	(25.1)	(26.0)
Interest income		0.6	0.8	0.5	0.5
Foreign exchange differences, net		1.5	1.8	(0.2)	1.3
Gains / (losses) from investments and other financial assets - Impairment		0.3	(2.2)	(0.1)	-
Total loss from financial activities		(33.7)	(39.2)	(24.9)	(24.2)
Profit before tax		63.5	80.0	51.1	49.1
Income tax	7	(37.4)	(41.0)	(18.4)	(17.6)
Profit for the period		26.1	39.0	32.7	31.5
Attributable to:					
Owners of the parent		33.9	40.4	32.7	31.5
Non-controlling interests		(7.8)	(1.4)	-	-
Profit for the period		26.1	39.0	32.7	31.5
Earnings per share attributable to owners of the parent					
Basic earnings per share	9	0.0694	0.0827		
Diluted earnings per share	9	0.0693	0.0826		

INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	GROUP		COMPANY	
	01/01- 31/03/2016	01/01- 31/03/2015	01/01- 31/03/2016	01/01- 31/03/2015
Profit for the period	26.1	39.0	32.7	31.5
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Actuarial losses	(13.6)	(18.6)	(14.5)	(18.6)
Deferred taxes on actuarial losses	4.0	4.8	4.2	4.8
Total items that will not be reclassified subsequently to profit or loss	(9.6)	(13.8)	(10.3)	(13.8)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	7.3	21.5	-	-
Net movement in available for sale financial assets	(0.2)	2.2	(0.1)	-
Deferred taxes on net movement in available for sale financial assets	-	(0.6)	-	-
Total items that may be reclassified subsequently to profit or loss	7.1	23.1	(0.1)	-
Other comprehensive income / (loss) for the period	(2.5)	9.3	(10.4)	(13.8)
Total comprehensive income for the period	23.6	48.3	22.3	17.7
Attributable to:				
Owners of the parent	27.1	43.6	22.3	17.7
Non-controlling interests	(3.5)	4.7	-	-
	23.6	48.3	22.3	17.7

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, 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
Balance as at January 1, 2016	1,387.1	496.3	(14.7)	357.3	(164.1)	(3,314.1)	3,509.2	2,257.0	352.2	2,609.2
Profit / (loss) for the period	-	-	-	-	-	-	33.9	33.9	(7.8)	26.1
Other comprehensive income / (loss)	-	-	-	-	(6.8)	-	-	(6.8)	4.3	(2.5)
Total comprehensive income / (loss)	-	-	-	-	(6.8)	-	33.9	27.1	(3.5)	23.6
Share matching plan	-	0.1	-	-	-	-	-	0.1	-	0.1
Balance as at March 31, 2016	1,387.1	496.4	(14.7)	357.3	(170.9)	(3,314.1)	3,543.1	2,284.2	348.7	2,632.9

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, 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
Balance as at January 1, 2016	1,387.1	496.3	(14.7)	357.3	(17.3)	545.8	2,754.5
Profit for the period	-	-	-	-	-	32.7	32.7
Other comprehensive income / (loss)	-	-	-	-	(10.4)	-	(10.4)
Total comprehensive income / (loss)	-	-	-	-	(10.4)	32.7	22.3
Share matching plan	-	0.1	-	-	-	-	0.1
Balance as at March 31, 2016	1,387.1	496.4	(14.7)	357.3	(27.7)	578.5	2,776.9

INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01-31/03/2016	01/01-31/03/2015	01/01-31/03/2016	01/01-31/03/2015
Cash flows from operating activities					
Profit before tax		63.5	80.0	51.1	49.1
Adjustments for:					
Depreciation, amortization and impairment		208.2	200.8	82.5	72.3
Costs related to early retirement programs		2.9	4.0	2.6	3.5
Provision for staff retirement indemnities		3.1	2.9	2.3	2.2
Provision for youth account		0.8	0.8	0.8	0.8
Provision for write down of inventories		0.6	1.8	-	1.4
Provision for doubtful accounts		21.3	22.3	4.9	5.1
Foreign exchange differences, net		(1.5)	(1.8)	0.2	(1.3)
Interest income		(0.6)	(0.8)	(0.5)	(0.5)
(Gains) / losses from investments and financial assets - Impairments		(0.3)	2.2	0.1	-
Interest and related expenses		36.1	39.6	25.1	26.0
Working capital adjustments:					
Decrease / (increase) in inventories		(8.0)	(18.2)	(0.6)	(4.6)
Decrease / (increase) in receivables		(40.3)	(70.3)	8.7	(24.6)
(Decrease) / increase in liabilities (except borrowings)		(42.0)	18.5	(12.9)	(15.3)
Plus / (Minus):					
Payment for early retirement programs and voluntary leave scheme		(3.4)	(2.2)	(1.9)	(1.5)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(3.9)	(8.0)	(3.8)	(8.0)
Interest and related expenses paid		(30.3)	(61.5)	(19.2)	(44.1)
Income taxes paid		(21.2)	(5.0)	(0.2)	(0.3)
Net cash flows from operating activities		185.0	205.1	139.2	60.2
Cash flows from investing activities					
Repayment of loans receivable		1.7	3.0	1.7	3.0
Purchase of property plant and equipment and intangible assets		(178.2)	(228.2)	(87.3)	(46.0)
Movement in restricted cash		(0.5)	0.6	-	-
Interest received		0.6	0.7	0.5	0.6
Net cash flows used in investing activities		(176.4)	(223.9)	(85.1)	(42.4)
Cash flows from financing activities					
Share option plan		-	-	-	17.3
Repayment of loans	6	-	(459.5)	(160.0)	(606.1)
Net cash flows used in financing activities		-	(459.5)	(160.0)	(588.8)
Net increase / (decrease) in cash and cash equivalents		8.6	(478.3)	(105.9)	(571.0)
Cash and cash equivalents, at the beginning of the period		1,322.5	1,509.9	290.3	613.1
Net foreign exchange differences		(1.4)	5.4	-	-
Cash and cash equivalents, at the end of the period		1,329.7	1,037.0	184.4	42.1

1. CORPORATE INFORMATION

Hellenic Telecommunications Organization S.A. (“Company”, “OTE” or “parent”), was incorporated as a société anonyme in Athens, Greece in 1949, and is listed in the Greek General Commercial Registry (Γ.Ε.ΜΗ.) with the unique number 1037501000. The registered office is located at 99 Kifissias Avenue – 151 24 Maroussi Athens, Greece, and the website is www.cosmote.gr. The Company is listed on the Athens Exchange. Until September 19, 2010, OTE ADRs (American Depositary Receipts) were also listed on the New York Stock Exchange. Following OTE’s delisting from NYSE, OTE ADRs now trade in the US OTC (Over the Counter) market. OTE GDRs (Global Depositary Receipts) are also listed on the London Stock Exchange.

OTE’s 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, 2016 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, 2016 and for the three month period then ended, were approved for issuance by the Board of Directors on April 25, 2016.

The total numbers of Group and Company employees as of March 31, 2016 and 2015 and as of December 31, 2015, were as follows:

	GROUP	COMPANY
March 31, 2016	21,563	8,609
December 31, 2015	21,573	8,496
March 31, 2015	22,089	8,921

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	31/03/2016	31/12/2015
			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%
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 COMMUNICATIONS S.A. (“TELEKOM ROMANIA MOBILE”)	Mobile telecommunications services	Romania	86.20%	86.20%
TELEKOM ALBANIA	Mobile telecommunications services	Albania	99.76%	99.76%
GERMANOS S.A. (“GERMANOS”)	Retail services	Greece	100.00%	100.00%
COSMOTE E-VALUE	Marketing services	Greece	100.00%	100.00%
GERMANOS TELECOM ROMANIA S.A.	Retail services	Romania	100.00%	100.00%
SUNLIGHT ROMANIA S.R.L. FILIALA	Retail services	Romania	100.00%	100.00%

COMPANY NAME	LINE OF BUSINESS	COUNTRY	31/03/2016	31/12/2015
			GROUP'S OWNERSHIP INTEREST	
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%

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, 2015, which are available on the Company's website <https://www.cosmote.gr/fixed/corporate/ir/financial-results/financial-statements-of-ote-group-and-ote-sa>.

The interim financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit 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, 2015.

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, 2015 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, 2016, 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

- **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”.
- **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.
- **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.
- **IAS 1 (Amendments) “Disclosure initiative”** (effective for annual periods beginning on or after January 1, 2016): These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
- **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 European Union (“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.

- **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”.

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, 2016, and have not been applied in preparing these consolidated financial statements. The Group is currently investigating the impact of the new standards and amendments on its financial statements.

- **IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7** (effective for annual periods beginning on or after January 1, 2018): IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The 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, 2018): The objective of the Standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently analyzing its products in order to decide which approach available by the standard will be adopted. The standard has not yet been endorsed by the EU.
- **IFRS 16 “Leases”** (effective for annual periods beginning on or after January 1, 2019): IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The standard has not yet been endorsed by the EU.
- **IAS 12 (Amendments) “Recognition of Deferred Tax Assets for Unrealised Losses”** (effective for annual periods beginning on or after January 1, 2017): These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
(a) Investments in subsidiaries	-	-	3,539.5	3,539.4
(b) Other investments	0.1	0.1	0.1	0.1
TOTAL	0.1	0.1	3,539.6	3,539.5

(a) Investments in subsidiaries are analyzed as follows:

	OTE's direct ownership interest	Country of incorporation	31/03/2016	31/12/2015
COSMOTE	100.00%	Greece	2,763.0	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			3,539.5	3,539.4

NON-CONTROLLING INTERESTS

The Group's non-controlling interests amount to Euro 348.7 as of March 31, 2016 (December 31, 2015: Euro 352.2), out of which Euro 345.6 relate to TELEKOM ROMANIA (December 31, 2015: Euro 349.2), representing the 45.99% on TELEKOM ROMANIA's equity, which is owned by the Romanian State.

5. SHARE CAPITAL – SHARE PREMIUM

OTE's share capital as of March 31, 2016 and as of December 31, 2015, 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, 2016 amounted to Euro 496.4 (December 31, 2015: 496.3).

The following is an analysis of the ownership of OTE's shares as of March 31, 2016:

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	210,642,745	42.97%
Private investors	33,071,186	6.75%
Treasury shares	1,361,260	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	31/03/2016	31/12/2015
(a) Syndicated loans	116.7	116.4
(b) Global Medium-Term Note Programme	2,073.0	2,072.7
Total long-term debt	2,189.7	2,189.1
Short-term portion	(433.7)	(433.5)
Long-term portion	1,756.0	1,755.6

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

Description	Coupon	Maturity	31/12/2015		31/03/2016		
			Outstanding nominal value	Book value	Amortisation of expenses	Outstanding nominal value	Book value
a) Syndicated loans							
EBRD loan	Euribor + 5.25%	25/04/2018	118.1	116.4	0.3	118.1	116.7
b) Global Medium-Term Note Programme							
Euro 700.0 notes	3.500%	09/07/2020	700.0	693.0	0.4	700.0	693.4
Euro 350.0 notes	4.375%	02/12/2019	350.0	344.8	(0.6)	350.0	344.2
Euro 700.0 notes	7.875%	07/02/2018	650.0	645.7	0.4	650.0	646.1
Euro 900.0 notes	4.625%	20/05/2016	389.4	389.2	0.1	389.4	389.3
			2,207.5	2,189.1	0.6	2,207.5	2,189.7

COMPANY	31/03/2016	31/12/2015
Intercompany loans from OTE PLC	1,346.2	1,345.5
Total long-term debt	1,346.2	1,345.5
Short-term portion	(256.8)	(256.4)
Long-term portion	1,089.4	1,089.1

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

Description	Maturity date	31/12/2015		31/03/2016		
		Outstanding nominal value	Book value	Amortisation of expenses	Outstanding nominal value	Book value
Euro 700.0 loan	09/07/2020	700.0	693.0	0.4	700.0	693.4
Euro 150.0 loan	02/12/2019	150.0	147.8	(0.3)	150.0	147.5
Euro 250.0 loan	07/02/2018	250.0	248.3	0.2	250.0	248.5
Euro 575.0 loan	19/05/2016	237.0	236.6	0.3	237.0	236.9
Euro 20.0 loan	19/05/2016	20.0	19.8	0.1	20.0	19.9
		1,357.0	1,345.5	0.7	1,357.0	1,346.2

SHORT - TERM BORROWINGS

COMPANY

The outstanding balance of short-term borrowings as of March 31, 2016 for the Company amounted to Euro 328.9 (December 31, 2015: Euro 492.0). All the loans are granted by OTE PLC.

The analysis of short-term loans is as follows:

Description	Maturity date	31/12/2015	31/03/2016		
		Book value	Repayments/Prepayments	Amortisation of expenses	Book value
Euro 48.5 loan	08/12/2016	47.3	-	0.3	47.6
Euro 51.4 loan	15/11/2016	50.2	-	0.3	50.5
Euro 51.3 loan	08/11/2016	50.1	-	0.4	50.5
Euro 25.0 loan	25/10/2016	25.0	-	-	25.0
Euro 70.3 loan	19/10/2016	68.4	-	0.6	69.0
Euro 26.0 loan	12/10/2016	26.0	-	-	26.0
Euro 30.0 loan	19/05/2016	29.9	-	0.1	30.0
Euro 30.3 loan	06/04/2016	29.9	-	0.4	30.3
Euro 41.8 loan	28/03/2016	41.2	(40.0)	(1.2)	-
Euro 62.8 loan	16/03/2016	62.0	(60.0)	(2.0)	-
Euro 62.7 loan	08/03/2016	62.0	(60.0)	(2.0)	-
		492.0	(160.0)	(3.1)	328.9

7. INCOME TAXES

The corporate income tax rate of legal entities in Greece is set at 29% for fiscal year 2015 onwards.

Unaudited tax years

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

COMPANY	Open Tax Years
OTE	2015
COSMOTE	2010, 2015
OTE INTERNATIONAL INVESTMENTS LTD	2010 - 2015
COSMO-ONE	2010, 2015
OTE PLC	2014 - 2015
OTESAT-MARITEL	2009 - 2010, 2015
OTE PLUS	2010, 2015
OTE ESTATE	2008 - 2010, 2015
OTE-GLOBE	2010, 2015
OTE INSURANCE	2010, 2015
OTE ACADEMY	2010, 2015
HATWAVE	1996 - 2015
OTE INVESTMENTS SERVICES S.A.	2010, 2015
TELEKOM ROMANIA	2007 - 2015
NEXTGEN	2008 - 2015
TELEKOM ALBANIA	2013 - 2015
TELEKOM ROMANIA MOBILE	2013 - 2015
GERMANOS	2010, 2015
COSMOTE E-VALUE	2010, 2015
GERMANOS TELECOM ROMANIA S.A.	2009 - 2015
SUNLIGHT ROMANIA S.R.L. - FILIALA	2009 - 2015
MOBILBEEEP LTD	2010 - 2015
COSMOHOLDING ROMANIA LTD	2009 - 2015
ZAPP	2009 - 2015
E-VALUE LTD	2010, 2015
COSMOHOLDING INTERNATIONAL B.V.	2014 - 2015
E-VALUE INTERNATIONAL S.A.	2014 - 2015
OTE RURAL NORTH	2014 - 2015
OTE RURAL SOUTH	2014 - 2015

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

For the Greek companies of the Group that are subject to the Tax Certificate process, the tax audit for the financial year 2015 is being performed by PricewaterhouseCoopers S.A. and the "Tax Compliance Report" will be issued in the third quarter of 2016. 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 OTESAT - MARITEL for the years 2009 and 2010 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- 31/03/2016	01/01- 31/03/2015	01/01- 31/03/2016	01/01- 31/03/2015
Current income tax	39.8	36.4	19.9	9.2
Deferred income tax	(2.4)	4.6	(1.5)	8.4
Total income tax	37.4	41.0	18.4	17.6

Income tax payable for the Group and the Company as of March 31, 2016 amounted to Euro 49.6 and 16.8, respectively (December 31, 2015: Euro 30.4 and nil, respectively).

Income tax receivable for the Group and the Company as of March 31, 2016 amounted to Euro 22.2 and Euro 7.7, respectively (December 31, 2015: Euro 29.7 and Euro 10.7 respectively) and is recorded under "Other current assets".

8. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

	GROUP		COMPANY	
	01/01-31/03/2016	01/01-31/03/2015	01/01-31/03/2016	01/01-31/03/2015
Income from disposal of property, plant and equipment	2.1	6.0	1.8	-
Income from contract penalties	2.5	6.7	-	4.0
Income from investment property	1.8	1.9	-	-
Other	2.3	1.5	0.5	0.5
TOTAL	8.7	16.1	2.3	4.5

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	01/01-31/03/2016	01/01-31/03/2015
Profit attributable to owners of the parent	33.9	40.4
Weighted average number of shares for basic earnings per share	488,789,129	488,780,438
Share options	347,380	4,049,086
Weighted average number of shares adjusted for the effect of dilutions	488,921,725	488,936,382
Basic earnings per share	0.0694	0.0827
Diluted earnings per share	0.0693	0.0826

(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 fixed-line services, internet access services, ICT 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 fixed-line services, internet access services, ICT services and TV services in Romania.

Accounting policies of the operating segments are the same as those followed for the preparation of the financial statements. Intersegment revenues are generally reported at values that approximate third-party selling prices. Management evaluates segment performance based on operating profit before 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, 2016	OTE	COSMOTE GROUP	TELEKOM ROMANIA	OTHER	TOTAL	Eliminations	GROUP
Revenue from external customers	356.7	364.8	130.8	76.2	928.5	-	928.5
Intersegment revenue	22.2	40.3	6.3	29.5	98.3	(98.3)	-
Total revenue	378.9	405.1	137.1	105.7	1,026.8	(98.3)	928.5
Operating expenses	(305.2)	(379.7)	(154.4)	(99.5)	(938.8)	98.8	(840.0)
Operating profit / (loss)	76.0	26.7	(12.4)	6.9	97.2	-	97.2
Operating profit before depreciation, amortization, impairment, costs related to early retirement programs and other restructuring costs	161.1	114.4	20.5	13.3	309.3	-	309.3
Profit / (loss) for the period	32.7	7.3	(17.1)	3.2	26.1	-	26.1

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

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 - 31/03/2016		01/01 - 31/03/2015	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE group of companies	16.5	26.1	16.9	26.3
OTE INTERNATIONAL INVESTMENTS LTD	0.1	0.2	0.1	0.8
COSMO-ONE	-	0.1	-	0.1
OTE SAT - MARITEL	-	-	0.1	0.1
OTE PLUS	-	1.1	0.2	17.4
OTE ESTATE	-	10.1	-	11.0
OTE-GLOBE	3.2	13.2	2.4	11.5
OTE ACADEMY	0.1	1.4	-	1.9
OTE RURAL NORTH	1.7	-	0.4	-
OTE RURAL SOUTH	0.6	-	0.4	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	2.4	2.6	0.6	0.4
TOTAL	24.6	54.8	21.1	69.5

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

	01/01 - 31/03/2016		01/01 - 31/03/2015	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	8.2	10.4	5.8	6.7
TOTAL	8.2	10.4	5.8	6.7

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

	Other operating income OTE	
	01/01 - 31/03/2016	01/01 - 31/03/2015
COSMOTE group of companies	-	0.2
TOTAL	-	0.2

The Group's other operating income with its related parties which is not eliminated in the consolidation is analyzed as follows:

	Group's other operating income	
	01/01 - 31/03/2016	01/01 - 31/03/2015
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.1
TOTAL	-	0.1

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

	01/01 - 31/03/2016		01/01 - 31/03/2015	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	21.8	-	22.6
OTE RURAL SOUTH	0.1	-	-	-
TOTAL	0.1	21.8	-	22.6

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

	31/03/2016		31/12/2015	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE group of companies	47.1	116.9	64.2	130.8
OTE INTERNATIONAL INVESTMENTS LTD	0.1	0.2	0.1	1.1
COSMO-ONE	-	0.2	-	0.2
OTE SAT - MARITEL	3.0	-	3.0	0.2
OTE PLUS	-	4.1	0.4	13.2
OTE ESTATE	1.9	4.2	1.6	4.5
OTE-GLOBE	3.5	9.1	4.9	20.7
OTE ACADEMY	0.7	1.4	0.7	1.0
TELEKOM ROMANIA	0.8	0.1	0.8	0.2
OTE RURAL NORTH	5.9	-	7.3	-
OTE RURAL SOUTH	6.1	-	8.6	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.3	5.2	5.5	3.0
TOTAL	73.4	141.4	97.1	174.9

Amounts owed to and by the related parties as a result of the Group's transactions with them, which are not eliminated in the consolidation, are analyzed as follows:

	31/03/2016		31/12/2015	
	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)	66.5	109.8	63.0	105.4
TOTAL	66.5	109.8	63.0	105.4

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

	31/03/2016		31/12/2015	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,710.5	-	1,866.3
OTE RURAL NORTH	5.4	-	5.4	-
OTE RURAL SOUTH	10.1	-	10.1	-
TOTAL	15.5	1,710.5	15.5	1,866.3

Key Management Personnel and those closely related to them are defined in accordance with IAS 24 "Related Party Disclosures". Key management compensation comprises salaries and other short term benefits, termination benefits, post-employment benefits and other long term benefits (as defined in IAS 19 "Employee Benefits") and share based payments (as defined in IFRS 2 "Share-based Payment").

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 1.1 for the first three months of 2016 (first three months of 2015: Euro 1.4). Furthermore, as of March 31, 2016, 20,000 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, 2015, except for the following:

LAN-NET S.A.: With respect to LAN-NET S.A.'s lawsuit against OTE requesting Euro 175.7, for which OTE requested its withdrawal before the Athens Multimember Court of First Instance and the case was heard on June 4, 2015, according to the Court's decision (933/2016 of April 8, 2016) the act of OTE for the withdrawal of LANNET S.A.'s lawsuit was accepted.

13. FINANCIAL INSTRUMENTS

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	
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
Financial Assets				
Trade receivables	725.5	728.6	725.5	728.6
Loans to pension funds	94.2	94.7	135.8	129.6
Loans and advances to employees	55.5	55.7	55.5	55.7
Guarantees	6.1	6.0	6.1	6.0
Guaranteed receipt from Grantor (Financial assets model)	22.6	25.6	22.6	25.6
Other prepayments	120.9	100.7	120.9	100.7
Restricted cash	3.3	2.8	3.3	2.8
Cash and cash equivalents	1,329.7	1,322.5	1,329.7	1,322.5
Financial Liabilities				
Long-term borrowings	1,756.0	1,755.6	1,791.6	1,779.7
Short-term borrowings and short-term portion of long-term borrowings	433.7	433.5	435.0	438.8
Trade accounts payable	1,102.7	1,202.5	1,102.7	1,202.5

COMPANY	Carrying amount		Fair value	
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
Financial Assets				
Trade receivables	346.5	354.4	346.5	354.4
Loans to pension funds	94.2	94.7	135.8	129.6
Loans and advances to employees	55.1	55.1	55.1	55.1
Guarantees	0.2	0.2	0.2	0.2
Loans to group companies	15.5	15.5	14.9	14.9
Other prepayments	21.2	28.4	21.2	28.4
Cash and cash equivalents	184.4	290.3	184.4	290.3
Financial Liabilities				
Long-term borrowings	1,089.4	1,089.1	1,090.3	1,077.1
Short-term borrowings and short-term portion of long-term borrowings	585.7	748.4	585.4	752.0
Trade accounts payable	394.5	460.4	394.5	460.4

The fair value of cash and cash equivalents, restricted cash, trade receivables, loans and advances to employees (short-term portion) 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, 2016, the Group and the Company held the following financial instruments measured at fair value:

GROUP	Fair value		Fair value hierarchy
	31/03/2016	31/12/2015	
Financial Assets			
Available-for-sale mutual funds	3.3	3.6	Level 1
Available-for-sale mutual funds	3.5	3.2	Level 3

COMPANY	Fair value		Fair value hierarchy
	31/03/2016	31/12/2015	
Financial Assets			
Available-for-sale mutual funds	2.0	2.1	Level 1

14. EVENTS AFTER THE FINANCIAL POSITION DATE

There were no significant events after March 31, 2016 that should be disclosed in these financial statements.