



HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

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

REGISTERED OFFICE: 99 KIFISSIAS AVE - 15124 MAROUSSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2014 TO DECEMBER 31, 2014

(Published in accordance with law 2190/1920, art.135 for Companies preparing annual consolidated and separate financial statements, in accordance with I.F.R.S.)

The purpose of the following information and financial data is to provide users with general financial information about the financial position and the results of operations of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A ("Company") and the OTE Group ("Group"). Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Group or the Company, to obtain the necessary information from the website, where the consolidated and separate financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available, together with the auditors' report, when required.

Supervising Authority : Ministry of Economy, Infrastructure, Marine and Tourism, Corporate and Greek General Commercial Registry Division

Company's Web Site : www.ote.gr

Date of approval of financial statements from the Board of Directors: February 25, 2015

The Certified Auditor : Marios Psaltis (RN ICA(GR): 38081)

Auditing Company : PricewaterhouseCoopers S.A. Certified Auditors - Accountants (SOEL REG: No 113)

Type of Auditor's Opinion : Unqualified

Composition of the Board of Directors:

1. Michael Tsamaz, Chairman and Managing Director, Executive Member
2. Nikolaos Karavitis, Vice-Chairman, Independent, Non-Executive Member
3. Charalampos Mazarakis, Executive Member
4. Klaus Müller, Non - Executive Member
5. Panagiotis Tabourlos, Independent, Non - Executive Member
6. Claudia Nemat, Non - Executive Member
7. Raphael Kübler, Non - Executive Member
8. Stylianos Petsas, Non - Executive Member
9. Christos Kastoris, Independent, Non - Executive Member
10. Theodoros Matalas, Independent, Non - Executive Member
11. Leonidas Filippopoulos, Independent, Non - Executive Member

DATA FROM STATEMENT OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro					DATA FROM STATEMENT OF CASH FLOWS (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro				
	GROUP		COMPANY			GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013		01.01-31.12.2014	01.01-31.12.2013	01.01-31.12.2014	01.01-31.12.2013
ASSETS					Cash flows from operating activities				
Property, plant and equipment	3,103.3	3,278.9	1,277.5	1,356.4	Profit / (loss) before tax	395.4	314.8	162.1	(169.7)
Intangible assets	1,649.5	1,487.4	230.4	142.0	Adjustments for:				
Other non current assets	557.6	582.9	3,885.9	3,920.8	Depreciation, amortization and impairment	796.4	842.5	279.4	322.5
Inventories	87.9	97.0	11.8	16.7	Share-based payment	-	3.2	-	0.7
Trade receivables	684.9	703.3	349.1	332.0	Costs related to early retirement programs	8.4	272.4	-	250.9
Other current assets	211.2	249.5	112.9	115.7	Provision for staff retirement indemnities	9.4	10.2	7.2	8.9
Cash and cash equivalents	1,509.9	1,444.3	613.1	426.6	Provision for youth account	1.0	3.7	1.0	3.7
TOTAL ASSETS	7,804.3	7,843.3	6,480.7	6,310.2	Write down of inventories	11.7	5.2	-	-
EQUITY AND LIABILITIES					Provision for doubtful accounts	92.0	84.9	21.9	20.4
Share capital	1,387.1	1,387.1	1,387.1	1,387.1	Other provisions	3.1	4.2	(0.1)	(2.1)
Other equity items	734.9	533.2	1,300.4	1,229.7	Foreign exchange differences, net	(3.5)	(2.3)	(1.0)	(0.4)
Equity attributable to shareholders of the parent (a)	2,122.0	1,920.3	2,687.5	2,616.8	Interest income	(5.4)	(8.8)	(2.4)	(4.3)
Non-controlling interests (b)	376.4	375.4	-	-	Dividend income	-	(0.4)	(1.1)	(8.0)
Total equity (c) = (a) + (b)	2,498.4	2,295.7	2,687.5	2,616.8	(Gains) / losses from investments and financial assets - Impairments	(0.1)	(216.9)	(0.1)	17.9
Long-term borrowings	2,173.1	2,556.5	1,316.7	1,600.6	Interest expense	202.7	249.0	149.5	159.4
Provisions / Other non-current liabilities	697.9	583.5	600.3	515.6	Working capital adjustments:				
Short-term borrowings	465.4	399.9	962.6	533.8	Decrease / (increase) in inventories	(2.8)	(0.5)	4.9	(1.9)
Other current liabilities	1,969.5	2,007.7	913.6	1,043.4	Decrease / (increase) in receivables	(38.9)	(7.3)	(10.0)	99.6
Total liabilities (d)	5,305.9	5,547.6	3,793.2	3,693.4	(Decrease) / increase in liabilities (except borrowings)	32.4	122.6	26.4	(19.9)
TOTAL EQUITY AND LIABILITIES (c) + (d)	7,804.3	7,843.3	6,480.7	6,310.2	Plus/ (Minus):				
					Payment for early retirement programs and voluntary leave scheme	(114.5)	(163.1)	(105.7)	(141.6)
					Payment of staff retirement indemnities and youth account, net of employees' contributions	(12.0)	(106.7)	(8.9)	(105.5)
					Interest and related expenses paid	(238.3)	(249.2)	(172.5)	(163.4)
					Income taxes paid	(137.3)	(121.3)	(58.2)	(9.7)
					Net cash flows from operating activities of discontinued operations	-	55.7	-	-
					Net cash flows from operating activities (a)	999.7	1,091.9	292.4	257.5
					Cash flows from investing activities				
					Establishment of new subsidiaries	-	-	(4.1)	-
					Acquisition of non-controlling interest	-	(10.2)	-	-
					Purchase of financial assets	-	(226.4)	-	(75.0)
					Sale or maturity of financial assets	12.8	229.6	9.0	75.0
					Repayment of loans receivable	12.0	10.7	12.0	10.7
					Purchase of property, plant and equipment and intangible assets	(603.9)	(604.7)	(222.3)	(179.8)
					Movement in restricted cash	-	58.8	-	-
					Proceeds / (payments) from disposal of subsidiaries / investments	(2.2)	717.0	-	202.8
					Interest received	5.3	14.8	2.2	7.5
					Dividends received	-	0.4	0.7	7.4
					Return of capital invested in subsidiary	-	1.0	-	1.0
					Net cash flows used in investing activities from discontinued operations	-	(30.7)	-	-
					Net cash flows from / (used in) investing activities (b)	(576.0)	160.3	(202.5)	49.6
					Cash flows from financing activities				
					Acquisition of treasury shares, net of exercise proceeds	(43.1)	(6.0)	(43.1)	(6.0)
					Proceeds from loans granted and issued	700.0	1,245.7	1,230.3	1,412.2
					Repayment of loans	(1,013.9)	(2,201.2)	(1,091.4)	(1,678.1)
					Dividends paid to Company's owners	(0.5)	(0.9)	(0.5)	(0.9)
					Net cash flows used in financing activities from discontinued operations	-	(3.8)	-	-
					Net cash flows from / (used in) financing activities (c)	(357.5)	(966.2)	95.3	(272.8)
					Net increase in cash and cash equivalents (a) + (b) + (c)	66.2	286.0	185.2	34.3
					Cash and cash equivalents at the beginning of the year	1,444.3	1,161.6	426.6	392.3
					Net foreign exchange differences	(0.6)	(3.3)	-	-
					Absorption of subsidiary	-	-	1.3	-
					Cash and cash equivalents at the end of the year	1,509.9	1,444.3	613.1	426.6

ADDITIONAL DATA AND INFORMATION

- 1) The companies which are included in the annual financial statements (consolidated and separate), their country, the Group's participating interest (direct and indirect) and the method of consolidation, are presented in Notes 1 and 8 of the financial statements.
- 2) The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries and the results of the tax audits completed, are presented in Note 22 of the financial statements.
- 3) On September 4, 2014, OTE's and VOICENET's Board of Directors decided the merger by absorption of VOICENET by OTE. On October 7, 2014, OTE RURAL NORTH and OTE RURAL SOUTH were established. Further details are presented in Note 8 of the financial statements.
- 4) The outcome of pending litigation and claims is not expected to have a material impact on the financial statements. The amount of provisions that have been established as at December 31, 2014 for litigations and other risks, as well as for unaudited tax years are as follows: a) for the Group € 128.7 million and € 32.6 million respectively and b) for the Company € 110.0 million and € 16.1 million respectively. The most significant outstanding legal cases are presented in Note 28 of the financial statements.
- 5) Number of employees at the end of the year: Group 22,144 (31.12.2013: 22,667), Company 6,924 (31.12.2013: 6,878).
- 6) Other comprehensive income / (loss) after tax for the year 2014 which was recognized directly in equity for the Group, relates to actuarial losses € (28.0) million (net of deferred taxes), foreign currency translation € (2.7) million and the net movement in available for sale investments € (1.0) million (net of deferred taxes). As for the Company, it relates to actuarial losses € (19.6) million (net of deferred taxes) and the net movement in available for sale financial assets € (0.2) million (net of deferred taxes).
- 7) 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 holds a 40.00% interest in OTE as of December 31, 2014.
- 8) The Company's transactions with its related parties as defined in IAS 24, are analyzed as follows: Sales and purchases of goods and services for the year 2014, amounted to € 85.7 million and € 249.9 million, respectively. Interest expense for the year 2014 amounted to € 147.4 million. The outstanding balance of receivables and payables from/to related parties as of December 31, 2014 derived from current transactions amounted to € 107.3 million and € 207.4 million, respectively. The outstanding balance of payables to related parties from the loans received amounted to € 2,344.5 million. Dividend income from related parties amounts to € 1.1 million. Fees paid to the members of the Board of Directors of the Company and the Company's key management personnel compensation charged to the Income Statement for the year 2014, amount to € 6.1 million. Based on OTE's share option plan, until December 31, 2014, 680,314 stock options have been granted to key management personnel. At Group level, sales and purchases of goods and services between related parties which are not eliminated, for the year 2014 amounted to € 28.0 million and € 21.4 million, respectively. The outstanding balance of receivables and payables, between related parties which are not eliminated, as of December 31, 2014 derived from operating transactions amounted to € 17.3 million and € 72.6 million, respectively.
- 9) Basic earnings per share were calculated based on the weighted average number of shares outstanding.
- 10) One reclassification has been made for better presentation with no impact on the equity or the results of the Group and the Company. This reclassification is presented in Note 30 of the financial statements.
- 11) The most significant events that have occurred after December 31, 2014 are presented in Note 31 of the financial statements.

Athens, February 25, 2015

CHAIRMAN AND MANAGING DIRECTOR

BOARD MEMBER AND OTE GROUP
CHIEF FINANCIAL OFFICER

EXECUTIVE DIRECTOR
FINANCIAL OPERATIONS OTE GROUP

ACCOUNTING DIRECTOR

MICHAEL TSAMAZ
I.D. Number AB 516212

CHARALAMPOS MAZARAKIS
I.D. Number AE 096808
License Number 0021943

GEORGE MAVRAKIS
I.D. Number T 004893

KONSTANTINOS VASILOPOULOS
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