



## **OTE GROUP REPORTS 2012 SECOND QUARTER RESULTS** **UNDER IFRS**

- **EBITDA up 5%, despite Revenue drop, due to stringent cost discipline**
  - **Operating Expenses down by €117mn, or 10.3%**
  - **Robust EBITDA margin at 35.0%**
- **Net Income up 68%**
- **Strong Free Cash Flow (€257mn generation in H1'12)**
- **Further reduction of underlying net debt, down €1bn year on year**

**ATHENS, Greece - August 9, 2012 - Hellenic Telecommunications Organization SA** (ASE: HTO; OTC MARKET: HLTOY), the Greek full-service telecommunications provider, today announced consolidated results (prepared under IFRS and reviewed by the auditors) for the quarter and six months ended June 30, 2012:

(€ mn)	Q2 '12	Q2 '11	% Change	6M '12	6M '11	% Change
Revenues	1,189.1	1,254.9	-5.2%	2,369.3	2,479.7	-4.5%
EBITDA*	416.7	396.9	+5.0%	834.2	790.2	+5.6%
as % of Revenues	35.0%	31.6%	+3.4pp	35.2%	31.9%	+3.3pp
Pro forma** EBITDA	416.7	406.9	+2.4%	834.2	839.9	-0.7%
as % of Revenues	35.0%	32.4%	+2.6pp	35.2%	33.9%	+1.3pp
Net Income	104.5	62.2	+68.0%	411.1	92.4	+344.9%
<i>Adjusted Net Income***</i>	<i>104.5</i>	<i>70.5</i>	<i>+48.2%</i>	<i>199.8</i>	<i>133.3</i>	<i>+49.9%</i>
Basic EPS (€)	0.2132	0.1269	+68.0%	0.8387	0.1885	+344.9%
CAPEX	100.9	136.4	-26.0%	219.4	302.9	-27.6%
Cash flows from operations	241.8	322.0	-24.9%	476.0	490.4	-2.9%

\* See Exhibit VIII

\*\* Excluding impact of Voluntary Retirement Programs and Restructuring Plans

\*\*\* Excluding €211.3mn in net capital gain on sale of Telekom Serbia stake in 6M'12, €40.9mn and €8.3mn respectively in 6M'11 and Q2'11, reflecting the after-tax effect of VRS charges

Commenting on OTE's performance in the second quarter, Michael Tsamaz, Chairman & CEO, noted: "We are pleased to report a strong positive performance, with pro forma EBITDA up 2.4%, net income 68% higher, and a further €151mn reduction in net debt. Facing tough conditions in all our markets, the OTE Group managed to strengthen its competitive positions in many areas and to contain revenue decline to just over 5%. We are also pleased to see that the far-reaching cost-reduction initiatives of the past years are yielding fruits and support the profitability of the Group. Total operating expenses were cut by more than 10%, with sharp declines in every single line item that is under our control. In particular, personnel expenses were down 13% at Group level and 18% in Greek fixed. In the quarter, we achieved a further reduction in net debt, thanks to continuous generation of significant positive cash flow."

Mr. Tsamaz added: "For the second half of the year, we do not foresee any material improvement in the operating environment of the markets in which the Group operates. The challenging economic conditions in Greece and the anticipated cuts in the interconnection rates in most of our markets will adversely impact our financial performance. However, we are determined to continue defending our market position, further reduce our costs and strengthening our financial position."



## FINANCIAL HIGHLIGHTS

### BREAKDOWN OF GROUP REVENUES

(€ mn)	Q2 '12	Q2 '11	% Change	6M '12	6M '11	% Change
Fixed Line Operations, Greece	422.1	466.1	-9.4%	863.3	951.4	-9.3%
Fixed Line Operations, Romania	156.3	166.1	-5.9%	316.5	332.4	-4.8%
Mobile Operations, Greece	382.3	410.3	-6.8%	759.3	785.3	-3.3%
Mobile Operations, International	237.2	236.2	+0.4%	471.1	462.9	+1.8%
Other	124.9	125.6	-0.6%	231.6	236.0	-1.9%
Intragroup Eliminations	(133.7)	(149.4)	-10.5%	(272.6)	(288.3)	-5.4%
<b>TOTAL</b>	<b>1,189.1</b>	<b>1,254.9</b>	<b>-5.2%</b>	<b>2,369.3</b>	<b>2,479.7</b>	<b>-4.5%</b>
Other income/(expense), net	8.9	3.6	+147.2%	9.9	5.8	+70.7%

In Q2'12, the OTE Group's total revenues dropped by just 5.2%, a limited decline in view of the challenging economic and regulatory environment in all countries where the Group's operating companies are active. In Greek fixed-line telephony, the quarterly drop in revenues was in line with the trends of prior quarters. In May 2012, OTE launched its new double-play offers, which were favorably received by the market. The Romanian fixed business posted a revenue drop of 5.9% as declining voice revenues were partly offset by growth in TV and broadband demand. In mobile telephony, Cosmote Greece recorded a limited service revenue decline of 4.3%. In international mobile telephony operations, the trends in Bulgaria and Albania were roughly unchanged, while Cosmote Romania was negatively affected by mobile termination rate cuts, resulting in a small revenue drop in a contracting market.

Total Operating Expenses, excluding depreciation, amortization, impairments and charges related to voluntary retirement programs, amounted to €781.3mn in Q2'12, as compared to €851.6mn in Q2'11. This 8.3% decrease is a direct result of OTE's active cost-reduction measures over the past years; in particular, personnel expenses were down 13.0% compared to Q2'11. Operating Expenses, excluding depreciation, amortization, impairments and charges related to voluntary retirement programs declined faster than revenues in all major Group operating units, with a noteworthy 11.4% decline in Greek fixed-line operations.

Reflecting OTE's continuing cost-cutting efforts and despite the €65.8mn decline in total Group revenues, consolidated pro forma EBITDA rose by €9.8mn in the quarter. As a result, Group pro forma EBITDA margin stood at 35.0% compared to 32.4% in the comparable quarter of the previous year.

The Group posted a 68.0% jump in net income for the quarter to €104.5mn, as compared to €62.2mn in Q2'11. In addition to higher EBITDA, the improvement in consolidated net income also reflects a €17.3mn decline in financial expenses as a result of the Group's deleveraging efforts and bond repurchases in the open market.

Capital expenditures in Q2'12 stood at €100.9mn (or 8.5% of Revenues), down 26.0% from the comparable quarter of the previous year (€136.4mn or 10.9% of Revenues in Q2'11). Capital expenditures in Greek fixed-line, Romanian fixed-line, and mobile operations amounted to €31.3mn, €13.3mn and €55.1mn, respectively.

In the quarter, the Group generated Net Operating Cash Flow of €241.8mn, as compared to €322.0mn in Q2'11. This decrease largely reflects higher working capital needs during the period, mainly attributable to the uncertain economic environment of the period, as well as to seasonal timing differences. Free Cash Flow stood at €140.9mn in Q2'12.



Reflecting solid cash flow generation, despite the worsening working capital movements, the Group's underlying net debt declined by approximately €1bn or more than 22% year on year to €3.2bn. As of June 30, 2012, OTE held short-dated highly rated government notes, included under Other Financial Assets, for a total of €347.9mn at consolidated level, roughly unchanged from the 2011 year-end level.

OTE Group debt outstanding breaks down as follows:

(€ mn)	Jun 30, 2012	Dec 31, 2011	% Change	Jun 30, 2011	% Change
Short-Term:					
-Bank loans	2.0	2.0	+0.0%	4.1	-51.2%
Medium & Long-term:					
-Bonds	3,200.2	3,244.9	-1.4%	3,587.7	-10.8%
-Bank loans	1,655.7	1,655.1	+0.0%	1,415.7	+17.0%
Total Indebtedness	4,857.9	4,902.0	-0.9%	5,007.5	-3.0%
Cash and Cash equiv.	1,310.2	683.4	+91.7%	867.4	+51.0%
Net Debt	3,547.7	4,218.6	-15.9%	4,140.1	-14.3%
Other financial assets	347.9	353.5	-1.6%	19.3	+1,702.6%
<b>Underlying Net Debt</b>	<b>3,199.8</b>	<b>3,865.1</b>	<b>-17.2%</b>	<b>4,120.8</b>	<b>-22.4%</b>

## 1. FIXED LINE OPERATIONS, GREECE

### ACCESS LINES& TRAFFIC STATISTICS

	Jun 30, 2012	Jun 30, 2011	% Change
PSTN connections	2,839,050	3,194,100	-11.1%
ISDN connections (BRA & PRA)	409,022	456,418	-10.4%
<b>Total PSTN &amp; ISDN connections</b>	<b>3,248,072</b>	<b>3,650,518</b>	<b>-11.0%</b>
<i>Of which Wholesale line rental connections</i>	<i>68,017</i>	<i>95,312</i>	<i>-28.6%</i>
<b>PSTN &amp; ISDN connections excl. WRL</b>	<b>3,180,055</b>	<b>3,555,206</b>	<b>-10.6%</b>
Total OTE ADSL active subscribers	1,137,670	1,146,376	-0.8%
<i>Of which OTE Wholesale ADSL</i>	<i>25,291</i>	<i>33,474</i>	<i>-24.4%</i>
<b>OTE ADSL active retail subscribers</b>	<b>1,112,379</b>	<b>1,112,902</b>	<b>0.0%</b>
OTE TV Subscribers (IPTV & Satellite)	76,345	54,400	+40.3%
Unbundled local loops (active)	1,749,141	1,524,354	+14.7%

  

(min, mn)	Q2 '12	Q2 '11	% Change
Local	1,836.5	2,025.8	-9.3%
National Long-distance	334.2	386.8	-13.6%
International Long-distance	58.4	61.5	-5.0%
Fixed-to-Mobile	278.7	304.8	-8.6%
Special Calls	25.4	24.3	4.8%
<b>Total Voice traffic</b>	<b>2,533.4</b>	<b>2,803.2</b>	<b>-9.6%</b>

In Q2'12, OTE fixed-line operations in Greece recorded a loss of approximately 75,000 PSTN and ISDN retail connections, a significant improvement compared to the trend of prior quarters (Q1'12: -94k; Q4'11: -107k; Q3'11: -99k; Q2'11: -116k). The total Greek market (OTE active retail lines, Wholesale line rental connections and full LLU subscribers) declined by 3.3% in Q2'12, a further deterioration compared to previous quarters (Q1'12: -3.1%, Q4'11: -2.5%, Q3'11: -2.3%, Q2'11: -1.8%).



As of the end of June 2012, OTE's retail ADSL customers stood at 1.1mn, a net addition of more than 19k subscribers in the quarter following four consecutive quarters of net disconnections. Based on the Greek Regulator's assumption that about 80% of full LLU subscribers are ADSL customers, it is estimated that the total Greek ADSL market added nearly 48k subscribers during the quarter. Regulatory approval of lower priced products in May has slightly narrowed the gap between OTE's tariffs and those of alternative carriers. OTE's improving performance contributed positively to the overall growth of the country's broadband market, which picked up pace in Q2'12 despite the negative economic context.

During the quarter, OTE launched new initiatives designed to boost customer satisfaction and retention. The ongoing efforts, including a 20% improvement in fault-correction response time, were rewarded by a 25% reduction in the number of customer complaints and sharp increases in customer satisfaction indices. In the quarter, a total of 10 shops were adapted to the new retail concept introduced at the end of last year, bringing the total to 52 at June 30, 2012.

OTE's recently launched satellite TV service continued to attract new subscribers. As of the end of Q2'12, OTE's IPTV and satellite services had been adopted by over 76k subscribers, a net increase of about 13k customers during the quarter. Enhanced sports and movie programming introduced in June and the gradual switch-off of analog TV services in certain key regions should continue to fuel growth in subscriber numbers in coming quarters.

#### SUMMARY FINANCIAL DATA

(€ mn)	Q2 '12	Q2 '11	% Change	6M '12	6M '11	% Change
Revenues	422.1	466.1	-9.4%	863.3	951.4	-9.3%
- Basic Monthly Rentals	97.7	110.3	-11.4%	198.4	225.1	-11.9%
- Fixed-to-fixed calls	61.4	76.8	-20.1%	126.7	154.0	-17.7%
- Fixed-to-mobile calls	23.5	22.2	+5.9%	45.7	43.8	+4.3%
- International	24.9	26.6	-6.4%	48.8	51.5	-5.2%
- Other	214.6	230.2	-6.8%	443.7	477.0	-7.0%
Other income/ (expense), net	1.4	1.0	+40.0%	0.9	(0.7)	-
EBITDA	118.1	119.8	-1.4%	257.8	260.9	-1.2%
as % of revenues	28.0%	25.7%	+2.3pp	29.9%	27.4%	+2.5pp
Pro Forma EBITDA*	118.1	122.3	-3.4%	257.8	271.4	-5.0%
as % of revenues	28.0%	26.2%	+1.8pp	29.9%	28.5%	+1.4pp
Operating Income (EBIT)	41.8	34.3	+21.9%	107.0	91.4	+17.1%
Voluntary Retirement costs/(reversals)	0.0	2.5	-	0.0	10.5	-
Depreciation & Amortization	76.3	85.5	-10.8%	150.8	169.5	-11.0%

\* Excluding impact of Voluntary Retirement Programs

Total Greek fixed-line Revenues declined by 9.4% in the quarter, roughly in line with the decline rate of revenue decline in recent quarters (Q1'12: -9.1%; Q4'11:-8.5%; Q3'11:-10.3%; Q2'11: -15.0%).

Total Greek fixed-line Operating Expenses, excluding depreciation, amortization and charges related to voluntary retirement programs, amounted to €305.4mn in Q2'12, a drop of 11.4% compared to €344.8mn in Q2'11. Total personnel-related costs (payroll, benefits, staff retirement indemnities and youth account) stood at 33.8% of total revenues in Q2'12, down from 37.2% in the comparable quarter last year, mainly as a result of personnel-cost reductions through the new labor agreement reached in late September of 2011 and other initiatives implemented since that year.

## 2. FIXED LINE OPERATIONS, ROMANIA

### SUMMARY FINANCIAL & ACCESS LINE DATA

	Jun 30, 2012	Jun 30, 2011	% Change
Voice Telephony Lines (Incl. CDMA)	2,404,284	2,558,683	-6.0%
Broadband subscribers (Incl. CDMA BB)	1,169,788	1,084,555	+7.9%
TV subscribers (DTH, IPTV & Cable)	1,207,461	1,222,336	-1.2%

(€ mn)	Q2 '12	Q2 '11	% Change	6M '12	6M '11	% Change
Revenues	156.3	166.1	-5.9%	316.5	332.4	-4.8%
Other income/(expense), net	5.8	4.1	+41.5%	9.9	8.2	+20.7%
EBITDA	40.4	29.2	+38.4%	80.8	51.4	+57.2%
as % of revenues	25.8%	17.6%	+8.2pp	25.5%	15.5%	+10pp
Pro Forma EBITDA*	40.4	36.4	+11.0%	80.8	79.3	+1.9%
as % of revenues	25.8%	21.9%	+3.9pp	25.5%	23.9%	+1.6pp
Operating Income/(loss) (EBIT)	11.5	(12.0)	-	25.3	(28.7)	-
Voluntary Retirement costs/(reversals)	0.0	7.2	-	0.0	27.9	-

\* Excluding impact of Restructuring Plans

While the Romanian economic situation remained affected by the uncertainties of the Eurozone, leading to a downward revision of 2012 GDP growth estimates to 1.4%, RomTelecom turned in a solid operating and financial performance in the second quarter. In particular, the company managed to limit the drop in retail revenues to 3.5% in Q2'12, as lower voice service revenues and equipment sales were largely offset by sharp increases in broadband and TV services. For their part, wholesale revenues declined by 9% in the quarter, mainly reflecting the regulator's decision to cut termination rates. Further cuts are scheduled in the second half of 2012, including an 18% drop in fixed termination rates in July and an average 24% reduction in mobile termination rates in September.

Compared to the end of Q2'11, the total number of broadband customers rose by nearly 8%, reflecting organic subscriber acquisitions. Consequently, broadband penetration as a percentage of total RomTelecom voice connections rose to 49%. Similarly, penetration of TV services for the first time exceeded the 50% mark. Both of these developments represent significant advances in RomTelecom's ability to defend its customer base. The number of TV subscribers dropped slightly year on year as a consequence of portfolio redesign, but was up in the quarter. In addition, TV revenues were up as customers increasingly migrate towards higher-value subscriptions.

In the quarter, pro forma EBITDA excluding redundancy costs jumped up 11% compared to Q2'11, due to the accelerated implementation of RomTelecom's cost-reduction initiatives.

Operating expenses (excluding D&A and one-off costs) were down 9.0% in Q2'12, notwithstanding higher costs related to TV content acquisition. Personnel expenses were down 11.7% in the quarter, extending the sharp declines achieved last year.

Depreciation & Amortization was down 29.9% compared to Q2'11, largely due to the impairment charge booked at the end of last year. As a result, RomTelecom once again posted positive EBIT performance in the quarter.

In an effort to continue its transformation process, RomTelecom is running an internal program through which all service activation and repair processes are actively monitored to increase internal efficiency and deliver better services and an improved experience to its customers.

### 3. MOBILE OPERATIONS

#### SUMMARY FINANCIAL DATA

Revenues (€ mn)	Q2 '12	Q2 '11	% Change	6M '12	6M '11	% Change
Greece	387.0	414.4	-6.6%	768.3	793.3	-3.2%
Romania	113.8	114.0	-0.2%	231.1	221.3	+4.4%
Bulgaria	102.5	101.4	+1.1%	199.2	197.8	+0.7%
Albania	22.0	23.5	-6.4%	43.0	46.8	-8.1%
Intragroup eliminations	(5.8)	(6.8)	-	(11.2)	(11.0)	-
<b>Total Revenues</b>	<b>619.5</b>	<b>646.5</b>	<b>-4.2%</b>	<b>1,230.5</b>	<b>1,248.2</b>	<b>-1.4%</b>
<b>Pro forma EBITDA* (€ mn)</b>						
Greece	161.0	152.6	+5.5%	314.1	302.3	+3.9%
Romania	29.1	22.6	+28.8%	55.0	40.5	+35.8%
Bulgaria	39.0	38.5	+1.3%	72.7	75.8	-4.1%
Albania	8.6	8.7	-1.1%	15.6	17.7	-11.9%
Intragroup eliminations	(0.4)	(3.4)	-	(2.9)	(3.2)	-
<b>Total Pro forma EBITDA*</b>	<b>237.3</b>	<b>218.9</b>	<b>+8.4%</b>	<b>454.4</b>	<b>433.0</b>	<b>+4.9%</b>
Voluntary retirement costs	0.0	(0.3)	-	0.0	(11.3)	-
<b>EBITDA</b>	<b>237.3</b>	<b>218.6</b>	<b>+8.6%</b>	<b>454.4</b>	<b>421.7</b>	<b>+7.8%</b>
<b>Pro forma EBITDA Margin (%)*</b>						
Greece	41.6%	36.8%	+4.8pp	40.9%	38.1%	+2.8pp
Romania	25.6%	19.8%	+5.8pp	23.8%	18.3%	+5.5pp
Bulgaria	38.0%	38.0%	0pp	36.5%	38.3%	-1.8pp
Albania	39.1%	37.0%	+2.1pp	36.3%	37.8%	-1.5pp
<b>Total Pro forma EBITDA margin*</b>	<b>38.3%</b>	<b>33.9%</b>	<b>+4.4pp</b>	<b>36.9%</b>	<b>34.7%</b>	<b>+2.2pp</b>
<b>EBITDA Margin</b>	<b>38.3%</b>	<b>33.8%</b>	<b>+4.5pp</b>	<b>36.9%</b>	<b>33.8%</b>	<b>+3.1pp</b>

\*Excluding impact of Restructuring Plan at Mobile Operations in Greece

At June 30, 2012, the mobile operations of the OTE Group counted approximately 20.4 million customers, up by 0.4% from the prior-year level, mainly due to positive performances in Greece and Bulgaria. Though conditions were depressed and highly competitive in each of the four countries in which they are present, OTE's mobile operations successfully defended their market positions and significantly improved their EBITDA and EBITDA margin.

#### MOBILE OPERATIONS, GREECE

As of the end of Q2'12, Cosmote provided mobile telephony services to 7.9 million customers in Greece, up 1.6% from June 30, 2011.

Against the challenging economic conditions that continue to impact consumer spending, service revenues decreased by approximately 4% in the quarter compared to Q2'11, mainly due to lower postpaid and interconnection revenues. Total revenues declined by 6.6%, reflecting a sharp drop in the sales of handsets.

The service revenues decline in Q2'12, following a 1% increase in the first quarter, largely reflects changes in the base of comparison, as market conditions recovered in the second quarter of last year following the expiration of aggressive prepaid offers. This differential is expected to intensify in the second half of the year, as in addition to the base effect, Cosmote's revenues performance is impacted by lower mobile termination rates imposed by the regulator as well as the difficult economic conditions.





In H1'12, blended AMOU decreased by 5.5% to 289.8 minutes, while blended ARPU for the same period was €14.8, down by 1.6% from H1'11, mainly reflecting lower ARPU in the postpaid segment.

### **MOBILE OPERATIONS, ROMANIA**

In Q2'12, Cosmote Romania's total customer base remained stable at 6.4 million, of which 23.6% was postpaid. The number of business customers grew by 32% as compared to Q2'11, as a result of the company's ability to offer customized solutions meeting the needs of professional users. In addition, the company more than doubled its 3G customer base compared to Q2'11.

The drop in service revenues, down by over 3%, was entirely due to interconnection rate cuts implemented in March 2012. Cosmote Romania continued to strengthen its market position despite intense competition. This was achieved without impacting margins, as EBITDA rose 28.8% compared to Q2'11, reflecting enhanced operating efficiency. EBITDA margin reached 25.6% in Q2'12, up by 580 basis points compared to Q2'11.

Blended ARPU increased by 3.9% in H1'12 compared to H1'11, due to the launch of competitive, customer-centric propositions.

### **MOBILE OPERATIONS, BULGARIA**

Globul's total customer base reached nearly 4.4 million at the end of Q2'12, up 8% from the prior-year level, as the company's innovative voice and data solutions resulted in solid increases in both postpaid and prepaid subscriber numbers. Globul's hybrid fixed-telephony offer achieved significant growth compared to Q2'11, with a total subscriber base of over 200k customers at the end of Q2'12, while its mobile data subscriber base increased by over 50% compared to the same quarter of last year.

Service revenues in Q2'12 decreased 0.3% compared to Q2'11 despite intense competition in the business market segment and lower off-bundle customer spend.

### **MOBILE OPERATIONS, ALBANIA**

At the end of Q2'12, AMC's customer base was 1.7 million subscribers, down 9.7% compared to Q2'11, mainly reflecting the company's effort to remove inactive users from its customer base.

Compared to Q2'11, revenues were negatively affected by intense competition in a highly fragmented market and adverse macroeconomic conditions. Reflecting deregulated international mobile termination rates and the growing consumer appeal of newly introduced product innovations, management expects performance to improve in the upcoming quarters.

By the end of Q2'12, AMC had deployed over 190 3G base stations, achieving 95% population coverage in a cost-efficient manner. This deployment, together with the growing appeal of 3G services to Albanian consumers, will enable the company to strengthen its competitive position in the data segment.

AMC management pursued its efforts to optimize the organization's cost structure with particular focus on marketing and network expenses, yielding an EBITDA margin of 39.1% in Q2'12.



#### **4. EVENTS OF THE QUARTER**

##### **REVOLVING CREDIT FACILITY**

In April 2012, OTE prepaid an amount of €300.0mn in aggregate, which remained committed and could be redrawn. On June 1, 2012, OTE redrew the same amount. As of June 30, 2012 the outstanding balance of this syndicated loan is €896.8mn. As this loan matures within twelve months from the financial position date, it has been reclassified within "Short-term portion of long-term borrowings".

##### **BOND REPURCHASES**

In June 2012, OTE PLC proceeded with partial repurchases of a total nominal amount of €46.9mn under the Notes due in August 2013, along with the payment of accrued interest. A total gain of €13.6mn was incurred due to the repurchase taking place at a discount.

##### **TAX AUDIT CERTIFICATE**

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

##### **60<sup>TH</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

On June 15, 2012, OTE held its 60th Ordinary General Meeting of Shareholders. Among the issues approved during the meeting was the election of a new eleven-member Board of Directors for a three-year term, due to the termination of tenure of the existing Board of Directors, and the appointment of the independent members of the Board of Directors. The composition of the Board of Directors remained unchanged. Following the conclusion of the Ordinary General Meeting of Shareholders, OTE's Board of Directors comprised:

Michael Tsamaz	Chairman / CEO, Executive member
Dimitrios Tzouganatos	Vice-Chairman, Independent non-executive member
Kevin Copp	Executive member
Timotheus Höttges	Non-executive member
Klaus Müller	Non executive member
Claudia Nemat	Non-executive member
Efstathios Anestis	Non-executive member
Nikolaos Karamouzis	Non-executive member
Michael Bletsas	Independent non-executive member
Vasileios Fourlis	Independent non-executive member
Panagiotis Tabourlos	Independent non-executive member

#### **5. SUBSEQUENT EVENTS**

##### **NEW OTE GROUP CFO & BOARD MEMBER**

As of July 1, 2012, Mr. Babis Mazarakis assumed the position of OTE Group Chief Financial Officer. Mr. Mazarakis has longstanding professional experience in the area of finance, in senior management positions in Greece and abroad at National Bank of Greece, TITAN Cement, Vodafone Group, Georgia Pacific-Delica and Procter & Gamble. Mr. Mazarakis holds a Bachelor's degree in Business Administration from the University of Piraeus and an MBA from the Ohio State University. On July 19, following the resignation of BoD member Mr. Kevin Copp, OTE's Board of Directors elected Mr. Mazarakis as new executive member of the BoD for the balance of Mr. Copp's tenure, namely until the date of the Ordinary General Meeting of Shareholders of the year 2015.





## REPAYMENT OF LOANS

On July 30, 2012, OTE PLC proceeded with the repayment of the remaining outstanding amount of €311.7mn under the Revolving Credit Facility maturing in September 2012, along with the payment of the accrued interest. The Revolving Credit Facility remains committed.

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

## 6. OUTLOOK

In the second half of 2012, OTE expects further pressure on revenues as challenging macroeconomic and competitive conditions are exasperated by regulator-mandated termination cuts in most of the markets in which the Group operates. Continued stringent implementation of OTE's cost-containment programs should enable the Group to mitigate the impact of revenue declines on its profitability and financial performance.

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## About OTE

OTE Group is Greece's leading telecommunications organization and one of the pre-eminent players in Southeastern Europe, providing top-quality products and services to its customers.

Apart from serving as a full service telecommunications group in the Greek telecoms market, OTE Group has also expanded during the last decade its geographical footprint throughout South East Europe, acquiring stake in the incumbent telecommunications company of Romania, and establishing mobile operations in Albania, Bulgaria, and Romania. At present, companies in which OTE Group has an equity interest employ about 28,900 people in four countries, and our portfolio of solutions ranges from fixed and mobile telephony to Internet applications, satellite, maritime communications and consultancy services.

OTE shares are listed on the **Athens Stock Exchange**, and the **London Stock Exchange** (in the form of GDRs). Following their delisting from NYSE in September 2010, the company's ADRs trade in the US OTC market. OTE's American Depositary Receipts (ADR's) represent 1/2 ordinary share.

Additional Information is also available on <http://www.ote.gr>.

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**Exhibits to follow:**

- I. Consolidated Balance Sheets as of June 30, 2012 and comparative as of December 31, 2011
- II. Consolidated Income Statements for the quarter and six months ended June 30, 2012 and comparative 2011
- III. Consolidated Statement of Cash Flows for the quarter ended June 30, 2012, and comparative Q1'12, Q4'11, Q3'11, Q2'11
- IV. Group Revenues for the quarter and six months ended June 30, 2012 and comparative 2011
- V. Segment Reporting based on the Group's legal structure
- VI. Mobile Operations
- VII. Operational Highlights
- VIII. EBITDA and Pro Forma EBITDA calculation



## EXHIBIT I – CONSOLIDATED BALANCE SHEET

(€ mn)	Jun 30, 2012	Dec 31, 2011
<b>ASSETS</b>		
<b>Non - current assets:</b>		
Property, plant and equipment	4,035.4	4,328.0
Goodwill	567.5	569.2
Telecommunication licenses	416.0	432.8
Other Intangible assets	490.5	503.5
Investments	1.2	1.2
Loans and advances to pension funds	119.6	121.9
Deferred tax assets	270.9	246.2
Other non-current assets	212.8	204.5
<b>Total non-current assets:</b>	<b>6,113.9</b>	<b>6,407.3</b>
<b>Current assets:</b>		
Inventories	117.8	125.0
Trade receivables	932.5	928.6
Other financial assets	347.9	353.5
Other current assets	230.0	213.1
Cash and cash equivalents	1,310.2	683.4
<b>Total current assets</b>	<b>2,938.4</b>	<b>2,303.6</b>
Assets classified as held for sale	0.0	380.0
<b>TOTAL ASSETS</b>	<b>9,052.3</b>	<b>9,090.9</b>



(€ mn)

**EQUITY AND LIABILITIES**

**Equity attributable to equity holders of the parent:**

	<b>Jun 30, 2012</b>	<b>Dec 31, 2011</b>
Share capital	1,171.5	1,171.5
Share premium	509.7	508.0
Statutory reserve	347.2	347.2
Foreign exchange and other reserves	(202.9)	72.4
Changes in non-controlling interests	(3,321.5)	(3,321.5)
Retained earnings	3,017.0	2,605.9

**1,521.0** **1,383.5**

Non-controlling interests

376.2 373.8

**Total equity**

**1,897.2** **1,757.3**

**Non-current liabilities:**

Long-term borrowings	3,200.2	4,139.1
Provision for staff retirement indemnities	326.8	285.1
Provision for Youth account	234.2	240.6
Deferred tax liabilities	88.4	92.8
Other non – current liabilities	80.6	74.4

Total non-current liabilities

3,930.2 4,832.0

**Current liabilities:**

Trade accounts payable	630.6	749.6
Short-term borrowings	2.0	2.0
Short-term portion of long-term borrowings	1,655.7	760.9
Income tax payable	38.2	15.8
Deferred revenues	218.8	234.6
Provision for voluntary leave scheme	154.2	166.2
Dividends payable	2.3	2.3
Other current liabilities	523.1	570.2

Total current liabilities

3,224.9 2,501.6

**Total liabilities**

**7,155.1** **7,333.6**

**TOTAL EQUITY AND LIABILITIES**

**9,052.3** **9,090.9**

**Movement in OTE Group Shareholders' equity**

<b>(€ mn)</b>	<b><u>6M 2012</u></b>
Shareholders' equity, January 1	1,757.3
Profit for the period	424.0
Other movements	(284.1)
	<hr/>
Shareholders' equity, June 30	<u>1,897.2</u>



## EXHIBIT II – CONSOLIDATED INCOME STATEMENT

(€ mn)	Q2 '12	Q2 '11	% Change	6M '12	6M '11	% Change
<b>Total Revenues</b>	<b>1,189.1</b>	<b>1,254.9</b>	<b>-5.2%</b>	<b>2,369.3</b>	<b>2,479.7</b>	<b>-4.5%</b>
Other income/ (expenses), net	8.9	3.6	+147.2%	9.9	5.8	+70.7%
<b>Operating Expenses:</b>						
Payroll and employee benefits	(239.1)	(271.8)	-12.0%	(480.5)	(540.5)	-11.1%
Provision for staff retirement indemnities	(5.6)	(5.9)	-5.1%	(11.1)	(11.7)	-5.1%
Provision for Youth Account	(1.1)	(4.7)	-76.6%	(2.1)	(9.5)	-77.9%
Cost of early retirement and restructuring programs	0.0	(10.0)	-	0.0	(49.7)	-
Charges from international operators	(62.1)	(58.5)	+6.2%	(107.2)	(102.1)	+5.0%
Charges from domestic telephony operators	(79.5)	(88.1)	-9.8%	(161.1)	(173.5)	-7.1%
Depreciation, amortization and impairment	(229.3)	(265.6)	-13.7%	(451.9)	(528.6)	-14.5%
Cost of telecommunications equipment /write downs	(63.4)	(81.5)	-22.2%	(125.7)	(154.5)	-18.6%
Other operating expenses	(330.5)	(341.1)	-3.1%	(657.3)	(653.8)	+0.5%
<b>Total Operating Expenses</b>	<b>(1,010.6)</b>	<b>(1,127.2)</b>	<b>-10.3%</b>	<b>(1,996.9)</b>	<b>(2,223.9)</b>	<b>-10.2%</b>
<b>Operating income before financial results</b>	<b>187.4</b>	<b>131.3</b>	<b>+42.7%</b>	<b>382.3</b>	<b>261.6</b>	<b>+46.1%</b>
<b>Financial results:</b>						
Interest expense	(51.2)	(68.5)	-25.3%	(122.8)	(134.9)	-9.0%
Interest income	3.9	5.0	-22.0%	8.2	10.8	-24.1%
FX gain/(loss), net	(4.4)	5.0	-188.0%	(1.2)	8.7	-113.8%
Dividend income	3.9	10.4	-62.5%	3.9	10.4	-62.5%
Gains/(Losses) from investments and financial assets	(0.1)	(0.2)	-50.0%	224.9	(0.2)	-
	<b>(47.9)</b>	<b>(48.3)</b>	<b>-0.8%</b>	<b>113.0</b>	<b>(105.2)</b>	<b>-207.4%</b>
<b>Profit before income taxes</b>	<b>139.5</b>	<b>83.0</b>	<b>+68.1%</b>	<b>495.3</b>	<b>156.4</b>	<b>+216.7%</b>
Income taxes	(29.1)	(26.9)	+8.2%	(71.3)	(75.2)	-5.2%
<b>Profit for the period</b>	<b>110.4</b>	<b>56.1</b>	<b>+96.8%</b>	<b>424.0</b>	<b>81.2</b>	<b>+422.2%</b>
Attributable to:						
<b>Owners of the parent</b>	<b>104.5</b>	<b>62.2</b>	<b>+68.0%</b>	<b>411.1</b>	<b>92.4</b>	<b>+344.9%</b>
Non-controlling interests	5.9	(6.1)	-196.7%	12.9	(11.2)	-215.2%



### EXHIBIT III – CONSOLIDATED STATEMENT OF CASH FLOWS

(€ mn)	Q2 '11	Q3 '11	Q4 '11	Q1 '12	Q2 '12
<b>Cash Flows from Operating Activities:</b>					
Profit/(loss) before taxes	83.0	135.7	(177.0)	355.8	139.5
<b>Adjustments to reconcile to net cash provided by operating activities:</b>					
Depreciation, amortization and impairment	265.6	257.3	524.3	222.6	229.3
Share-based payment	0.7	1.7	(5.5)	0.7	1.0
Cost of early retirement program	10.0	4.1	15.2	0.0	0.0
Provision for staff retirement indemnities	5.9	6.0	4.5	5.5	5.6
Provision for youth account	4.7	4.8	(4.4)	1.0	1.1
Write down of inventories	2.3	1.5	15.7	0.9	2.6
Provision for doubtful accounts	38.6	36.7	29.0	32.2	31.5
Other provisions	0.0	0.0	(4.5)	0.0	0.0
Foreign exchange differences, net	(5.0)	2.6	2.5	(3.2)	4.4
Interest income	(5.0)	(6.3)	(5.1)	(4.3)	(3.9)
Dividend income	(10.4)	0.0	(17.0)	0.0	(3.9)
(Gains) / Losses from investments and financial assets - impairments	0.2	0.1	0.3	(225.0)	0.1
Release of EDEKT fund prepayment	8.8	8.8	8.8	0.0	0.0
Interest expense	68.5	74.9	80.3	71.6	51.2
<b>Working capital adjustments</b>	<b>12.5</b>	<b>(2.6)</b>	<b>41.5</b>	<b>(90.2)</b>	<b>(108.2)</b>
Decrease/(increase) in inventories	6.0	11.3	9.8	(3.7)	7.4
Decrease/(increase) in accounts receivable	(44.5)	16.3	(48.2)	(47.2)	(76.0)
(Decrease)/increase in liabilities (except borrowings)	51.0	(30.2)	79.9	(39.3)	(39.6)
Plus/(Minus):					
Payment of early retirement and restructuring programs and voluntary leave scheme	(37.8)	(26.7)	(14.0)	(9.1)	(5.8)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(13.7)	(32.3)	(18.0)	(16.9)	(7.9)
Interest and related expenses paid	(57.9)	(87.5)	(22.6)	(81.7)	(67.9)
Income taxes paid	(49.0)	(60.2)	(54.8)	(25.7)	(26.9)
<b>Net Cash provided by Operating Activities</b>	<b>322.0</b>	<b>318.6</b>	<b>399.2</b>	<b>234.2</b>	<b>241.8</b>
<b>Cash Flows from Investing Activities:</b>					
Acquisition of subsidiary and business units net of cash acquired	(7.2)	(4.0)	0.7	0.0	0.0
Purchase of financial assets	(0.2)	(68.3)	(366.9)	(720.0)	0.0
Sale/maturity of financial assets	0.0	0.0	93.7	366.1	358.6
Repayments of loans receivables	2.5	2.4	2.5	2.6	2.6
Purchase of property, plant and equipment and intangible assets	(136.4)	(171.0)	(242.6)	(118.5)	(100.9)
Proceeds from disposal of assets held for sale	0.0	0.0	0.0	380.0	0.0
Interest received	4.5	2.7	5.9	2.9	5.1
Dividends received	0.0	5.2	5.2	17.0	3.9
<b>Net Cash used in Investing Activities</b>	<b>(136.8)</b>	<b>(233.0)</b>	<b>(501.5)</b>	<b>(69.9)</b>	<b>269.3</b>
<b>Cash Flows from Financing Activities:</b>					
Proceeds from loans granted and issued	500.0	310.0	1.6	4.2	303.7
Repayment of loans	(284.4)	(132.3)	(289.6)	0.0	(350.9)
Dividends paid to Company's owners	0.0	(52.9)	0.0	0.0	0.0
<b>Net Cash provided by/(used in) Financing Activities</b>	<b>215.6</b>	<b>124.8</b>	<b>(288.0)</b>	<b>4.2</b>	<b>(47.2)</b>
Net Increase/(decrease) in Cash and Cash Equivalents	400.8	210.4	(390.3)	168.5	463.9
Cash and Cash equivalents at beginning of period	469.1	867.4	1,072.0	683.4	849.0
Net foreign exchange differences	(2.5)	(5.8)	1.7	(2.9)	(2.7)
<b>Cash and Cash Equivalents at end of period</b>	<b>867.4</b>	<b>1,072.0</b>	<b>683.4</b>	<b>849.0</b>	<b>1,310.2</b>
<i>Below we depict OTE Group's total liquidity adding the holdings under "Other financial assets"</i>					
<i>Other financial assets</i>	19.3	99.2	353.5	706.8	347.9
<b>OTE Group's total liquidity</b>	<b>886.7</b>	<b>1,171.2</b>	<b>1,036.9</b>	<b>1,555.8</b>	<b>1,658.1</b>

## EXHIBIT IV – GROUP REVENUES

(€ mn)	Q2 '12	Q2 '11	% Change	6M '12	6M '11	% Change
<b>Domestic Telephony:</b>						
Basic monthly rentals	145.0	163.3	-11.2%	294.3	332.9	-11.6%
Local and long distance calls						
-Fixed to fixed	67.0	84.9	-21.1%	139.3	171.4	-18.7%
-Fixed to mobile	30.4	31.7	-4.1%	59.9	63.0	-4.9%
	<i>97.4</i>	<i>116.6</i>	<i>-16.5%</i>	<i>199.2</i>	<i>234.4</i>	<i>-15.0%</i>
Other	12.1	16.1	-24.8%	26.9	32.3	-16.7%
<b>Total Domestic Telephony</b>	<b>254.5</b>	<b>296.0</b>	<b>-14.0%</b>	<b>520.4</b>	<b>599.6</b>	<b>-13.2%</b>
<b>International Telephony:</b>						
International traffic	12.7	15.4	-17.5%	25.5	30.8	-17.2%
Payments from mobile operators	8.5	7.4	+14.9%	14.8	14.3	+3.5%
	<i>21.2</i>	<i>22.8</i>	<i>-7.0%</i>	<i>40.3</i>	<i>45.1</i>	<i>-10.6%</i>
Payments from International operators	16.9	17.0	-0.6%	36.4	31.4	+15.9%
<b>Total International Telephony</b>	<b>38.1</b>	<b>39.8</b>	<b>-4.3%</b>	<b>76.7</b>	<b>76.5</b>	<b>+0.3%</b>
<b>Mobile Telephony</b>	<b>501.6</b>	<b>520.7</b>	<b>-3.7%</b>	<b>990.6</b>	<b>1,006.0</b>	<b>-1.5%</b>
<b>Other Revenues:</b>						
Prepaid cards	4.9	5.5	-10.9%	8.8	9.9	-11.1%
Leased lines and data communications	79.0	79.4	-0.5%	145.4	156.8	-7.3%
ISDN, connection & monthly charges	27.0	29.7	-9.1%	54.9	60.8	-9.7%
Sales of telecommunication equipment	74.0	83.5	-11.4%	141.8	162.5	-12.7%
Internet services-ADSL	74.4	74.0	+0.5%	149.4	149.5	-0.1%
Collocation & LLU's	49.3	48.5	+1.6%	104.9	99.4	+5.5%
Metroethernet & IP CORE	12.4	10.4	+19.2%	24.9	22.1	+12.7%
Services rendered	34.7	26.1	+33.0%	66.5	50.9	+30.6%
Interconnection charges	13.1	16.6	-21.1%	30.9	34.8	-11.2%
Miscellaneous	26.1	24.7	+5.7%	54.1	50.9	+6.3%
<b>Total Other Revenues</b>	<b>394.9</b>	<b>398.4</b>	<b>-0.9%</b>	<b>781.6</b>	<b>797.6</b>	<b>-2.0%</b>
<b>Total Revenues</b>	<b>1,189.1</b>	<b>1,254.9</b>	<b>-5.2%</b>	<b>2,369.3</b>	<b>2,479.7</b>	<b>-4.5%</b>



## EXHIBIT V – SEGMENT REPORTING (6M 2012)

(€ mn)	OTE	Cosmote	RomTelecom	All Other	Total	Adjustments & Eliminations	Consolidated
<b>Revenues:</b>							
Domestic Telephony	393.4	0.0	125.2	7.3	525.9		
International Telephony	48.8	0.0	40.1	0.8	89.7		
Mobile Telephony	0.0	1,065.5	0.0	0.0	1,065.5		
Other	421.1	165.0	151.2	223.5	960.8		
<b>Total Revenues</b>	<b>863.3</b>	<b>1,230.5</b>	<b>316.5</b>	<b>231.6</b>	<b>2,641.9</b>	<b>(272.6)</b>	<b>2,369.3</b>
<b>Intersegment Revenues</b>	<b>(59.5)</b>	<b>(80.3)</b>	<b>(11.2)</b>	<b>(121.6)</b>	<b>(272.6)</b>		
<b>Revenues from External Customers</b>	<b>803.8</b>	<b>1,150.2</b>	<b>305.3</b>	<b>110.0</b>	<b>2,369.3</b>		<b>2,369.3</b>
Other income/ (expense), net	0.9	(2.8)	9.9	3.7	11.7	(1.8)	9.9
<b>Operating Expenses:</b>							
Personnel expenses	(287.7)	(114.5)	(58.3)	(32.9)	<b>(493.4)</b>	(0.3)	<b>(493.7)</b>
VRS & restructuring plans cost	-	-	-	-	<b>0.0</b>	-	<b>0.0</b>
Payments to international operators	(40.8)	(8.6)	(20.3)	(93.2)	<b>(162.9)</b>	55.7	<b>(107.2)</b>
Payments to domestic telephony operators	(63.9)	(118.1)	(29.6)	-	<b>(211.6)</b>	50.5	<b>(161.1)</b>
Depreciation, amortization and impairment	(150.8)	(227.3)	(55.5)	(19.8)	<b>(453.4)</b>	1.5	<b>(451.9)</b>
Cost of telecommunication equipment / write downs	(21.6)	(111.2)	(9.2)	(1.4)	<b>(143.4)</b>	17.7	<b>(125.7)</b>
Other operating expenses	(192.4)	(420.9)	(128.2)	(65.3)	<b>(806.8)</b>	149.5	<b>(657.3)</b>
<b>Total Operating Expenses</b>	<b>(757.2)</b>	<b>(1,000.6)</b>	<b>(301.1)</b>	<b>(212.6)</b>	<b>(2,271.5)</b>	<b>274.6</b>	<b>(1,996.9)</b>
<b>Operating Income (EBIT)</b>	<b>107.0</b>	<b>227.1</b>	<b>25.3</b>	<b>22.7</b>	<b>382.1</b>	<b>0.2</b>	<b>382.3</b>
<b>Pro forma* EBITDA</b>	<b>257.8</b>	<b>454.4</b>	<b>80.8</b>	<b>42.5</b>	<b>835.5</b>	<b>(1.3)</b>	<b>834.2</b>
<b>as % of Revenues</b>	<b>29.9%</b>	<b>36.9%</b>	<b>25.5%</b>	<b>18.4%</b>	<b>31.6%</b>		<b>35.2%</b>

\*Excluding impact of Voluntary Retirement Programs and Restructuring Plans



## EXHIBIT V – SEGMENT REPORTING (6M 2011)

(€ mn)	OTE	Cosmote	RomTelecom	All Other	Total	Adjustments & Eliminations	Consolidated
<b>Revenues:</b>							
Domestic Telephony	450.6	0.0	146.8	6.7	604.1		
International Telephony	51.5	0.0	39.7	1.1	92.3		
Mobile Telephony	0.0	1,078.3	0.0	0.0	1,078.3		
Other	449.3	169.9	145.9	228.2	993.3		
<b>Total Revenues</b>	<b>951.4</b>	<b>1,248.2</b>	<b>332.4</b>	<b>236.0</b>	<b>2,768.0</b>	<b>(288.3)</b>	<b>2,479.7</b>
<b>Intersegment Revenues</b>	<b>(76.2)</b>	<b>(75.1)</b>	<b>(14.4)</b>	<b>(122.6)</b>	<b>(288.3)</b>		
<b>Revenues from External Customers</b>	<b>875.2</b>	<b>1,173.1</b>	<b>318.0</b>	<b>113.4</b>	<b>2,479.7</b>		<b>2,479.7</b>
Other income/expense net	(0.7)	(1.3)	8.2	1.2	7.4	(1.6)	5.8
<b>Operating Expenses:</b>							
Personnel expense	(348.0)	(120.4)	(66.3)	(31.9)	<b>(566.6)</b>	4.9	<b>(561.7)</b>
VRS & restructuring plans cost	(10.5)	(11.3)	(27.9)	-	<b>(49.7)</b>	-	<b>(49.7)</b>
Payments to international operators	(43.0)	(11.3)	(19.1)	(88.9)	<b>(162.3)</b>	60.2	<b>(102.1)</b>
Payments to domestic telephony operators	(68.3)	(128.1)	(32.0)	(0.1)	<b>(228.5)</b>	55.0	<b>(173.5)</b>
Depreciation, amortization and impairment	(169.5)	(249.5)	(80.1)	(31.6)	<b>(530.7)</b>	2.1	<b>(528.6)</b>
Cost of telecommunication equipment / write downs	(24.7)	(132.5)	(17.4)	(0.7)	<b>(175.3)</b>	20.8	<b>(154.5)</b>
Other operating expenses	(195.3)	(421.6)	(126.5)	(58.1)	<b>(801.5)</b>	147.7	<b>(653.8)</b>
<b>Total Operating Expenses</b>	<b>(859.3)</b>	<b>(1,074.7)</b>	<b>(369.3)</b>	<b>(211.3)</b>	<b>(2,514.6)</b>	<b>290.7</b>	<b>(2,223.9)</b>
<b>Operating Income (EBIT)</b>	<b>91.4</b>	<b>172.2</b>	<b>(28.7)</b>	<b>25.9</b>	<b>260.8</b>	<b>0.8</b>	<b>261.6</b>
<b>Pro forma* EBITDA</b>	<b>271.4</b>	<b>433.0</b>	<b>79.3</b>	<b>57.5</b>	<b>841.2</b>	<b>(1.3)</b>	<b>839.9</b>
<b>as % of Revenues</b>	<b>28.5%</b>	<b>34.7%</b>	<b>23.9%</b>	<b>24.4%</b>	<b>30.4%</b>		<b>33.9%</b>

\* Excluding impact of Voluntary Retirement Programs and Restructuring Plans



## EXHIBIT VI– MOBILE OPERATIONS

(€ mn)	Q2 '12	Q2 '11	% Change	6M '12	6M '11	% Change
<b>Revenues:</b>						
Monthly service fees	183.4	200.6	-8.6%	370.1	401.1	-7.7%
Airtime revenues	206.2	193.3	+6.7%	399.8	364.9	+9.6%
Interconnection revenues	92.2	95.7	-3.7%	181.7	184.2	-1.4%
Roaming revenues	9.0	10.1	-10.9%	12.3	13.9	-11.5%
SMS revenues and other services	48.2	59.5	-19.0%	101.7	114.2	-10.9%
Sales of handsets and accessories	68.6	80.3	-14.6%	138.1	153.8	-10.2%
Commission revenues	2.2	0.4	+450.0%	4.5	1.1	+309.1%
Other operating revenues	9.7	6.6	+47.0%	22.4	15.0	+49.3%
<b>Total Revenues</b>	<b>619.5</b>	<b>646.5</b>	<b>-4.2%</b>	<b>1,230.5</b>	<b>1,248.2</b>	<b>-1.4%</b>
Revenues from telecommunication services	539.0	559.2	-3.6%	1,065.5	1,078.3	-1.2%
Other Operating income/(expenses)	(0.2)	(1.3)	-84.6%	(2.8)	(1.3)	+115.4%
<b>Operating Expenses:</b>						
Interconnection	(63.7)	(71.6)	-11.0%	(126.6)	(139.4)	-9.2%
Cost of goods	(50.6)	(69.4)	-27.1%	(109.2)	(130.1)	-16.1%
Payroll	(56.4)	(62.3)	-9.5%	(114.5)	(131.7)	-13.1%
Network operating costs	(51.7)	(54.8)	-5.7%	(106.8)	(109.7)	-2.6%
Distribution & sales	(71.5)	(77.2)	-7.4%	(147.0)	(145.0)	+1.4%
Marketing & Customer care	(31.7)	(41.1)	-22.9%	(64.5)	(75.8)	-14.9%
General & administrative	(35.4)	(25.2)	+40.5%	(63.3)	(50.0)	+26.6%
Provision for doubtful accounts	(21.0)	(25.0)	-16.0%	(41.4)	(43.4)	-4.6%
Depreciation	(115.4)	(125.1)	-7.8%	(227.3)	(249.5)	-8.9%
<b>Total Operating Expenses</b>	<b>(497.4)</b>	<b>(551.7)</b>	<b>-9.8%</b>	<b>(1,000.6)</b>	<b>(1,074.7)</b>	<b>-6.9%</b>
<b>Operating Income (EBIT)</b>	<b>121.9</b>	<b>93.5</b>	<b>+30.3%</b>	<b>227.1</b>	<b>172.2</b>	<b>+31.8%</b>
<b>EBITDA</b>	<b>237.3</b>	<b>218.6</b>	<b>+8.6%</b>	<b>454.4</b>	<b>421.7</b>	<b>+7.8%</b>
<b>as % of Revenues</b>	<b>38.3%</b>	<b>33.8%</b>	<b>+4.5pp</b>	<b>36.9%</b>	<b>33.8%</b>	<b>+3.1pp</b>
<b>Pro forma* EBITDA</b>	<b>237.3</b>	<b>218.9</b>	<b>+8.4%</b>	<b>454.4</b>	<b>433.0</b>	<b>+4.9%</b>
<b>as % of Revenues</b>	<b>38.3%</b>	<b>33.9%</b>	<b>+4.4pp</b>	<b>36.9%</b>	<b>34.7%</b>	<b>+2.2pp</b>

\*Excluding impact of Voluntary Retirement Programs and Restructuring Plans



## EXHIBIT VII –OPERATIONAL HIGHLIGHTS

	Jun 30, 2012	Jun 30, 2011	% Change
<b>Fixed Line Operations, Greece</b>			
PSTN connections	2,839,050	3,194,100	-11.1%
ISDN connections (BRA & PRA)	409,022	456,418	-10.4%
<b>Total PSTN &amp; ISDN connections</b>	<b>3,248,072</b>	<b>3,650,518</b>	<b>-11.0%</b>
<i>Wholesale line rental connections</i>	<i>68,017</i>	<i>95,312</i>	<i>-28.6%</i>
<b>PSTN &amp; ISDN connections ex-WRL</b>	<b>3,180,055</b>	<b>3,555,206</b>	<b>-10.6%</b>
Total OTE ADSL active subscribers	1,137,670	1,146,376	-0.8%
<i>Of which OTE Wholesale ADSL</i>	<i>25,291</i>	<i>33,474</i>	<i>-24.4%</i>
<b>OTE ADSL active retail subscribers</b>	<b>1,112,379</b>	<b>1,112,902</b>	<b>-0.0%</b>
OTE TV Subscribers (IPTV & Satellite)	76,345	54,400	+40.3%
Unbundled local loops (active)	1,749,141	1,524,354	+14.7%
Employees	10,504	10,826	-3.0%
<b>Fixed Line Operations, Romania</b>			
Voice Telephony lines (Incl. CDMA)	2,404,284	2,558,683	-6.0%
Broadband subscribers(Incl. CDMA BB)	1,169,788	1,084,555	+7.9%
TV subscribers (DTH, IPTV & Cable)	1,207,461	1,222,336	-1.2%
Employees	7,438	7,976	-6.7%
<b>Mobile Operations</b>			
Mobile subscribers, Greece	7,856,338	7,732,550	+1.6%
Mobile subscribers, Albania	1,726,660	1,912,242	-9.7%
Mobile subscribers, Bulgaria	4,356,673	4,034,692	+8.0%
Mobile subscribers, Romania	6,422,544	6,595,489	-2.6%
Employees	8,398	8,699	-3.5%





## EXHIBIT VIII –EBITDA AND PRO-FORMA EBITDA CALCULATION

EBITDA and pro forma EBITDA, as defined by OTE, are financial measures that help OTE to evaluate its core business operating results, before investing and financing activities, and before the effect of depreciation, amortization and impairment and to compare the performance of OTE and its subsidiaries with that of its peer group, which mainly consists of other European incumbent telecommunications operators. The following table provides a reconciliation of profit/loss for the period attributable to shareholders of the parent to EBITDA and pro forma EBITDA.

(€ mn)	Q2 '12	Q2 '11	% Change	6M '12	6M '11	% Change
<b>Profit for the year attributable to shareholders of the parent</b>	<b>104.5</b>	<b>62.2</b>	<b>+68.0%</b>	<b>411.1</b>	<b>92.4</b>	<b>+344.9%</b>
Plus:						
Depreciation amortization and impairment	229.3	265.6	-13.7%	451.9	528.6	-14.5%
Total (profit)/loss from financial activities *	47.9	48.3	-0.8%	(113.0)	105.2	-207.4%
Income taxes	29.1	26.9	+8.2%	71.3	75.2	-5.2%
Minority interest	5.9	(6.1)	-196.7%	12.9	(11.2)	-215.2%
<b>EBITDA</b>	<b>416.7</b>	<b>396.9</b>	<b>+5.0%</b>	<b>834.2</b>	<b>790.2</b>	<b>+5.6%</b>
Adjustments:						
Cost of early retirement programs	0.0	10.0	-	0.0	49.7	-
<b>Pro Forma EBITDA</b>	<b>416.7</b>	<b>406.9</b>	<b>+2.4%</b>	<b>834.2</b>	<b>839.9</b>	<b>-0.7%</b>

\* Total profit/(loss) from financial activities includes interest expense, interest income, foreign exchange differences, gains/(losses) from financial assets and dividend income.