

OTE GROUP REPORTS 2015 SECOND QUARTER RESULTS **UNDER IFRS**

- **Group Revenues up 0.3%, best performance since 2008**
 - **Greek Revenue growth supported by Broadband, VDSL, TV, 4G**
 - **Resilient Service Revenues in Greek Mobile**
- **New Voluntary Exit Scheme completed, more than €30mn of annual cost savings**
- **Strong Free Cash Flow generation continuing: €159mn in 6M'15 (+82.7% vs. 6M'14)**
- **Net Debt below €1.1bn or 0.8x EBITDA, despite heavy investments for future growth: CapEx outflow of €368mn in 6M'15, including spectrum**

ATHENS, Greece - August 6, 2015 - 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 auditors) for the second quarter and six months ended June 30, 2015.

(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Revenues	953.5	950.6	+0.3%	1,894.3	1,914.3	-1.0%
EBITDA	235.2	342.5	-31.3%	555.2	673.7	-17.6%
Pro forma EBITDA*	318.4	346.2	-8.0%	644.4	679.6	-5.2%
<i>Pro forma EBITDA margin (%)</i>	<i>33.4%</i>	<i>36.4%</i>	<i>-3pp</i>	<i>34.0%</i>	<i>35.5%</i>	<i>-1.5pp</i>
Net Income/(Loss)	(3.6)	69.3	-	36.8	125.1	-70.6%
Adjusted Net Income**	47.2	72.1	-34.5%	100.9	129.6	-22.1%
Basic EPS (€)	(0.0074)	0.1422	-	0.0753	0.2571	-70.7%
Adj. Net Operating Cash Flow ***	237.3	252.9	-6.2%	450.1	361.3	+24.6%
Adj. CapEx ***	131.1	153.3	-14.5%	291.0	274.2	+6.1%
Adj. Free Cash Flow***	106.1	99.6	+6.5%	159.1	87.1	+82.7%
Cash & Other financial assets	1,092.3	1,000.4	+9.2%	1,092.3	1,000.4	+9.2%
Net Debt (Underlying)	1,055.8	1,547.6	-31.8%	1,055.8	1,547.6	-31.8%

* Excluding the impact of Voluntary Retirement Programs and Restructuring Plans

** Excluding one-off items - See Reconciliation table, Page 3.

*** Cash Flow includes interest received but excludes Voluntary Exit Programs, Restructuring and/or Spectrum payments

Commenting on OTE's results for the second quarter of 2015, Michael Tsamaz, Chairman & CEO, noted: "The solid performance we have achieved in Greece since the final quarter of last year continued in the past three months, leading to a very resilient first half. Greek fixed-line operations recorded another revenue increase and a sharp boost in EBITDA, which should further benefit from the voluntary retirement plan we recently completed. In Greek mobile, our service revenue decline narrowed, owing to the quality of our data network in particular. The situation was tougher in our international operations, where competitive pressures are exacerbated."

Mr. Tsamaz added: "Our path toward stabilization in the coming months will be largely dependent on the evolution of the environment in our home country. Higher taxes are likely to have an impact on consumer spending. Our continuing investment for growth should further fortify us and enable us to weather well any adverse external influences on our profitability and cash flow generation."

Outlook

For full year 2015 assuming positive macroeconomic developments, OTE expects the stabilization of its Greek fixed and mobile operations to continue, while international operations will remain under intense competitive pressure. OTE will continue to benefit from cost-containment efforts, notably the recently completed voluntary retirement plans, defending its profitability throughout its operations. OTE's CapEx should total approximately €0.5bn, excluding spectrum. Assuming a return to normal liquidity conditions in the Greek economy, OTE expects to end the year close to its previously stated free cash flow target of €0.5bn.

BREAKDOWN OF GROUP REVENUES

(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Fixed Line Operations, Greece	374.2	371.8	+0.6%	746.6	743.1	+0.5%
Mobile Operations, Greece	303.1	312.8	-3.1%	596.8	607.5	-1.8%
Fixed Line Operations, Romania	150.5	149.7	+0.5%	299.2	306.4	-2.3%
Mobile Operations, Romania	105.0	101.6	+3.3%	208.2	219.8	-5.3%
Mobile Operations, Albania	17.3	20.3	-14.8%	33.6	39.8	-15.6%
Others	110.3	99.8	+10.5%	229.0	204.0	+12.3%
Eliminations (Mobile & Group)	(106.9)	(105.4)	+1.4%	(219.1)	(206.3)	+6.2%
TOTAL	953.5	950.6	+0.3%	1,894.3	1,914.3	-1.0%
Other income/ (expense), net	9.3	16.1	-42.2%	25.4	26.3	-3.4%

BREAKDOWN OF GROUP PRO FORMA EBITDA

(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Fixed Line Operations, Greece	144.0	137.6	+4.7%	293.1	281.7	+4.0%
<i>margin</i>	<i>38.5%</i>	<i>37.0%</i>	<i>+1.5pp</i>	<i>39.3%</i>	<i>37.9%</i>	<i>+1.4pp</i>
Mobile Operations, Greece	109.9	116.1	-5.3%	210.3	221.7	-5.1%
<i>margin</i>	<i>36.3%</i>	<i>37.1%</i>	<i>-0.8pp</i>	<i>35.2%</i>	<i>36.5%</i>	<i>-1.3pp</i>
Fixed Line Operations, Romania	26.1	44.9	-41.9%	58.9	83.4	-29.4%
<i>margin</i>	<i>17.3%</i>	<i>30.0%</i>	<i>-12.7pp</i>	<i>19.7%</i>	<i>27.2%</i>	<i>-7.5pp</i>
Mobile Operations, Romania	22.9	25.9	-11.6%	45.3	52.6	-13.9%
<i>margin</i>	<i>21.8%</i>	<i>25.5%</i>	<i>-3.7pp</i>	<i>21.8%</i>	<i>23.9%</i>	<i>-2.1pp</i>
Mobile Operations, Albania	2.7	6.8	-60.3%	6.3	13.8	-54.3%
<i>margin</i>	<i>15.6%</i>	<i>33.5%</i>	<i>-17.9pp</i>	<i>18.8%</i>	<i>34.7%</i>	<i>-15.9pp</i>
Others	13.1	15.0	-12.7%	30.8	26.4	+16.7%
<i>margin</i>	<i>11.9%</i>	<i>15.0%</i>	<i>-3.1pp</i>	<i>13.4%</i>	<i>12.9%</i>	<i>+0.5pp</i>
Eliminations (Mobile & Group)	(0.3)	(0.1)	-	(0.3)	0.0	-
Group OTE	318.4	346.2	-8.0%	644.4	679.6	-5.2%
<i>margin</i>	<i>33.4%</i>	<i>36.4%</i>	<i>-3pp</i>	<i>34.0%</i>	<i>35.5%</i>	<i>-1.5pp</i>

OTE GROUP HIGHLIGHTS

OTE Group revenues grew by 0.3% in Q2'15 vs. Q2'14, the best year-over-year quarterly performance since 2008. Greek operations were the main driver of this strong revenue performance. Greek fixed-line revenues were up by 0.6%, posting a third consecutive quarter of year-over-year increase. Greek mobile operations were resilient, as Cosmote service revenues were down by 4.6%, a slightly improved trend compared to the previous quarter (Q1'15: -4.9%), despite the country's tough economic conditions.

In Romania, revenues in mobile rose by 3.3%, a significant improvement compared to prior quarters (Q1'15: -12.7%, Q4'14: -8.4%), as a result of the anniversary of mobile termination rate cuts in April 2014. Romanian fixed-line operations revenues were up by 0.5% in Q2'15, helped by higher revenues from fixed-mobile convergent offers, as well as infrastructure and IT projects, while traditional voice and broadband revenues were down. As a result of competitive and regulatory pressures, revenues in Albania dropped by 14.8%. Finally, other revenues were up 10.5% to €110.3mn, chiefly reflecting revenues from the EU-funded project for the expansion of broadband access in rural areas in Greece.

Total Operating Expenses, excluding depreciation, amortization, impairments and charges related to voluntary retirement programs and restructuring costs, amounted to €644.4mn in Q2'15, up 3.9% compared to Q2'14, as a result of higher construction costs related to the rural broadband expansion project together with the increase in interconnection costs stemming from higher traffic in Romania and at OTE Globe. Personnel expenses were down 3.9% at Group level. In Greek fixed-line operations, higher personnel costs reflect the transfer to OTE SA of OTE Plus and Voicenet employees; this was offset by a decrease in third party fees, as well as in maintenance and repair expenses. Following the successful completion of an additional voluntary exit scheme at the end of the second quarter, the Group should generate annual personnel cost savings of more than €30mn, starting in H2'15.

Group Pro Forma EBITDA declined 8.0% in the second quarter to €318.4mn, resulting in a 33.4% pro forma EBITDA margin in the period. This was partly due to the basis effect in the Romanian fixed business, where Q2'14 EBITDA had benefited from more than €9mn in disposal of real estate assets and scrap copper. Increased competitive pressures have resulted in EBITDA erosion in our international businesses, flowing through to the consolidated numbers, despite the positive performance of Greek operations. Although these pressures continue, the Group through both network and commercial investments is focused on efforts to restore future performance.

Interest Expenses were down 21.7% in the quarter to €36.0mn, reflecting lower indebtedness.

Group Net Income to Adjusted Net Income Reconciliation:

€ mn	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Net income/(loss)	(3.6)	69.3	-	36.8	125.1	-70.6%
VRS & other restructuring costs	61.7	2.8	-	66.2	4.5	-
Reversal of provision related to Globul sale	(26.6)	0.0	-	(26.6)	0.0	-
Net Impact from impairments	12.6	0.0	-	12.6	0.0	-
Reassessment of the income tax charge for 2014	3.2	0.0	-	12.0	0.0	-
Adjusted Net income	47.2	72.1	-34.5%	100.9	129.6	-22.1%

Note: After tax impact

Group Adjusted Net Income stood at €47.2mn in Q2'15, down 34.5% compared to the previous year, reflecting the EBITDA decline.

Capital Expenditures amounted to €139.6mn in Q2'15 (€131.1mn excluding spectrum payments), reflecting increased investments in fixed and mobile networks in Greece as well as fixed-line infrastructure in Romania, together with a €8.5mn partial payment for the recently acquired spectrum in Albania. Capital expenditures in Greek and Romanian fixed-line amounted to €72.8m and €27.5mn, respectively. In mobile operations, total Capital Expenditures stood at €35.7mn (out of which €8.5mn related to spectrum payments in Albania).

In Q2'15, the OTE Group posted adjusted Net Operating Cash Flow (including interest received and excluding VRS and restructuring-related payments) of €237.3m down 6.2% compared to Q2'14, as a result of lower operating profitability and increased working capital needs.

Adjusted Group Free Cash Flow (including interest received and excluding VRS, spectrum and restructuring-related payments) stood at €106.1mn, significantly improved compared to Free Cash Flow of €99.6mn in Q2'14.

The Group's Underlying Net Debt amounted to €1.1bn at June 30, 2015, down 31.8% compared to June 30, 2014. The Group's ratio of Underlying Net Debt to 12-month trailing Pro forma EBITDA stood at 0.8x.

OTE Group debt outstanding breaks down as follows:

(€ mn)	Jun 30, 2015	Dec 31, 2014	Change	Jun 30, 2014	Change
Short-Term:					
-Bank loans	0.0	0.0	-	0.0	-
Medium & Long-term:					
-Bonds	2,015.3	2,472.6	-18.5%	2,371.4	-15.0%
-Bank loans	132.8	165.9	-20.0%	176.6	-24.8%
Total Indebtedness	2,148.1	2,638.5	-18.6%	2,548.0	-15.7%
Cash and Cash equiv.	1,085.7	1,509.9	-28.1%	996.0	+9.0%
Net Debt	1,062.4	1,128.6	-5.9%	1,552.0	-31.5%
Other financial assets	6.6	3.7	+78.4%	4.4	+50.0%
Underlying Net Debt	1,055.8	1,124.9	-6.1%	1,547.6	-31.8%

1. GREECE

FIXED-LINE OPERATIONS, GREECE ACCESS LINES

	Jun 30, 2015	Jun 30, 2014	Change
PSTN connections	2,369,831	2,463,617	-3.8%
ISDN connections (BRA & PRA)	322,027	345,158	-6.7%
Other (MSAN & VoB)	20,400	11,702	+74.3%
OTE access line connections (incl. WLR)	2,712,258	2,820,477	-3.8%
<i>Of which Wholesale line rental (WLR) connections</i>	<i>22,146</i>	<i>40,907</i>	<i>-45.9%</i>
OTE Retail access line connections (excl. WLR)	2,690,112	2,779,570	-3.2%
Total OTE Broadband active subscribers	1,449,371	1,335,120	+8.6%
OTE Broadband active retail subscribers	1,428,560	1,309,679	+9.1%
OTE TV Subscribers (IPTV & Satellite)	377,548	295,845	+27.6%
Unbundled local loops (active)	2,040,721	1,969,577	+3.6%

In Q2'15, the total Greek access market (OTE active retail lines, Wholesale line rental connections and full LLU subscribers) lost 11k lines. OTE fixed-line operations in Greece posted a net loss of only 9k access lines, a sharp improvement compared to recent periods (line losses of 29k in Q2'14 and 27k in Q1'15).

In Q2'15, OTE achieved net additions of 35k retail broadband customers, or nearly 70% of total market net additions, bringing the total number of OTE retail broadband subscribers to 1,429k. OTE's high-speed VDSL broadband service had been adopted by more than 122k subscribers by the end of the quarter. OTE is activating new local exchanges and installing new cabinets to retain customers or upsell to its base and support customer ARPU. VDSL offerings, together with ongoing efforts to improve customer experience, are the major drivers for growing OTE's broadband net additions market share in a highly competitive environment.

OTE also achieved steady growth in its TV offering. As of June 30, 2015, total TV subscribers amounted to 378k, an increase of 11k in the quarter. The acquisition of the three-year broadcasting rights for European football UEFA Champions League and UEFA Europa League is expected to support a further increase in the number of OTE TV subscribers in the second half of 2015.

SUMMARY FINANCIAL DATA – FIXED-LINE OPERATIONS, GREECE

(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Revenues	374.2	371.8	+0.6%	746.6	743.1	+0.5%
- Retail Fixed Services	215.7	216.3	-0.3%	429.7	430.7	-0.2%
- Wholesale Fixed Services	81.7	79.6	+2.6%	163.0	164.7	-1.0%
- Other	76.8	75.9	+1.2%	153.9	147.7	+4.2%
Other income/(expense), net	1.8	0.4	-	6.3	0.7	-
EBITDA	69.0	137.6	-49.9%	214.6	281.7	-23.8%
<i>EBITDA margin (%)</i>	<i>18.4%</i>	<i>37.0%</i>	<i>-18.6pp</i>	<i>28.7%</i>	<i>37.9%</i>	<i>-9.2pp</i>
Pro Forma EBITDA*	144.0	137.6	+4.7%	293.1	281.7	+4.0%
<i>Pro Forma EBITDA*margin (%)</i>	<i>38.5%</i>	<i>37.0%</i>	<i>+1.5pp</i>	<i>39.3%</i>	<i>37.9%</i>	<i>+1.4pp</i>
Operating Income/(Loss) - EBIT	(1.2)	68.8	-	72.1	143.3	-49.7%
Voluntary Retirement (costs)/reversals	(75.0)	0.0	-	(78.5)	0.0	-
Depreciation & Amortization	(70.2)	(68.8)	+2.0%	(142.5)	(138.4)	+3.0%

* Excluding impact of Voluntary Retirement Programs & Restructuring costs

Following the steady improvement in fixed-line revenue trends, evident since 2013, and after years of revenue contraction, Greek fixed-line revenues were up for a third consecutive quarter in Q2'15. Revenues from retail fixed services also remained stable in the quarter, while wholesale revenues and ICT revenues also contributed positively to the improvement of Greek fixed-line revenues.

Total Greek fixed-line Operating Expenses, excluding depreciation, amortization and charges related to voluntary retirement programs and restructuring, amounted to €232.0m in Q2'15, unchanged compared to Q2'14. Personnel expenses were up 10.6% in Greek fixed-line operations, entirely due to the transfer to OTE SA of OTE Plus and Voicenet employees, starting in Q1'15; this was offset by a decrease in third party fees as well as in maintenance and repair expenses.

Pro forma EBITDA margin further improved in Greek fixed-line operations, reaching 38.5%, a 150 basis point improvement compared to Q2'14, continuing the gradual margin improvement this year.

MOBILE OPERATIONS, GREECE SUMMARY FINANCIAL & SUBSCRIBERS DATA

	Jun 30, 2015	Jun 30, 2014	Change
Mobile subscribers	7,386,271	7,397,302	-0.1%

(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Service Revenues	243.6	255.3	-4.6%	472.5	496.1	-4.8%
Total Revenues	303.1	312.8	-3.1%	596.8	607.5	-1.8%
Total OpEx (ex- D&A, Impairments, VES & Restructuring Costs)	(193.4)	(196.9)	-1.8%	(387.3)	(386.3)	+0.3%
Pro Forma EBITDA*	109.9	116.1	-5.3%	210.3	221.7	-5.1%
Pro Forma EBITDA margin (%)	36.3%	37.1%	-0.8pp	35.2%	36.5%	-1.3pp

* Excluding impact of Restructuring costs

As of the end of Q2'15, Cosmote provided mobile telephony services to 7.4mn customers in Greece, nearly unchanged from June 30, 2014.

In Q2'15, the rate of service revenue decline at Cosmote Greece was 4.6%, a slight improvement from the prior quarter (Q1'15: -4.9%), despite pressure on ARPU from macroeconomic uncertainty.

In line with its strategy to fully protect and grow its customer base, focusing on customer experience and high quality of services, Cosmote is investing in maintaining network superiority in terms of coverage and data speeds. In Q2'15, Cosmote further expanded its 4G footprint, now covering approximately 77% of the Greek population, significantly ahead of its nearest competitor. The company has already launched a 4G+ mobile broadband network not only in Athens and Thessaloniki, but also in additional cities and touristic spots across Greece.

Demand for handset mobile data usage continued to grow at a rapid pace in Q2'15, resulting in nearly 80% growth in Cosmote Greece's data traffic compared to the same quarter last year, reflecting the network's high-speed capabilities as well as growing smartphone uptake.

In Q2'15, Cosmote Greece's blended AMOU dropped by 7.1% to 291 minutes. Blended ARPU for the same period was €11.8, down 3.8% from Q2'14.

2. ROMANIA

FIXED LINE OPERATIONS, ROMANIA SUMMARY FINANCIAL & SUBSCRIBERS DATA

	Jun 30, 2015	Jun 30, 2014	Change
Voice Telephony Lines (Incl. CDMA)	2,161,718	2,191,342	-1.4%
Broadband subscribers (Incl. CDMA BB)	1,207,689	1,244,563	-3.0%
TV subscribers (DTH, IPTV& Cable)	1,420,828	1,384,100	+2.7%

(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Revenues	150.5	149.7	+0.5%	299.2	306.4	-2.3%
- Retail Fixed Services	83.4	91.0	-8.4%	169.9	182.9	-7.1%
- Wholesale Fixed Services	28.3	27.8	+1.8%	52.0	57.0	-8.8%
- Other	38.8	30.9	+25.6%	77.3	66.5	+16.2%
Other income	6.5	15.0	-56.7%	13.4	24.5	-45.3%
EBITDA	24.7	44.1	-44.0%	57.1	81.9	-30.3%
<i>EBITDA margin (%)</i>	<i>16.4%</i>	<i>29.5%</i>	<i>-13.1pp</i>	<i>19.1%</i>	<i>26.7%</i>	<i>-7.6pp</i>
Pro Forma EBITDA*	26.1	44.9	-41.9%	58.9	83.4	-29.4%
Pro Forma EBITDA margin (%)	17.3%	30.0%	-12.7pp	19.7%	27.2%	-7.5pp
Operating Income/(loss) (EBIT)	(9.9)	4.4	-	(10.0)	6.5	-
Voluntary Retirement costs	(1.4)	(0.8)	+75.0%	(1.8)	(1.5)	+20.0%
Depreciation & Amortization	(34.6)	(39.7)	-12.8%	(67.1)	(75.4)	-11.0%

* Excluding impact of Restructuring Plans

In Q2'15, competition in the Romanian telecommunications market further intensified. Q2'15 revenues from Romanian fixed-line operations were up 0.5% compared to Q2'14. Consistent with the Group's strategic focus on fixed-mobile convergence, the Telekom-branded fixed-mobile offers had a good market acceptance. The successful launch of such offers, together with positive trends in pay-TV services, increased Fiber-to-the-Home rollout and roughly unchanged ICT project revenue streams, offset the expected drop in voice revenues. Compared to June 30, 2014, the total number of TV subscribers increased by 2.7%. Conversely, the number of Broadband subscribers dropped by 3.0% in Q2, while the number of customers opting for integrated offers increased by 38% from Q1'15 to Q2'15.

Total Romanian fixed-line Operating Expenses, excluding depreciation, amortization, charges related to voluntary retirement programs and restructuring, and one-off items increased by 9% in Q2'15 compared to Q2'14. Part of the increase stems from direct costs (interconnection), devices and IT products required to deliver a differentiated customer experience, as well as construction costs related to the EU-funded broadband expansion project in rural areas (RoNet).

Other income declined by 57% or down €8.5mn in Q2'15 to €6.5mn; in Q2'14 it had been boosted by disposal of scrap copper and unused operating real estate. The drop in other income negatively impacted Romanian fixed-line EBITDA, which has also been affected by the cost increases, in turn driven mainly by competitive pressures on marketing, distribution and network expenses, as well as the shift in revenue mix.

MOBILE OPERATIONS, ROMANIA SUMMARY FINANCIAL & SUBSCRIBERS DATA

	Jun 30, 2015	Jun 30, 2014	Change			
Mobile subscribers	5,861,317	5,996,059	-2.2%			
(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Service Revenues	78.0	79.4	-1.8%	156.6	174.1	-10.1%
Total Revenues	105.0	101.6	+3.3%	208.2	219.8	-5.3%
Total OpEx (ex- D&A, Impairments, VES & Restructuring Costs)	(82.7)	(76.1)	+8.7%	(163.7)	(167.7)	-2.4%
Pro Forma EBITDA*	22.9	25.9	-11.6%	45.3	52.6	-13.9%
Pro Forma EBITDA margin (%)	21.8%	25.5%	-3.7pp	21.8%	23.9%	-2.1pp

* Excluding impact of Restructuring costs

In Q2'15, Telekom Romania Mobile's total customer base stood at 5.9mn, of which 28% was postpaid. The number of business customers grew by 6.4% compared to Q2'14, reflecting the company's targeted offers for professional users and synergies created following the company's rebranding, together with Telekom Romania Communications, under the "Telekom" name.

Blended ARPU increased by 1.2% in Q2'15 compared to Q2'14, due to higher incoming ARPU, while blended AMOU was slightly lower (-0.9%). Increased expenses related to interconnection and distribution however led to a decline in EBITDA.

3. ALBANIA

MOBILE OPERATIONS, ALBANIA SUMMARY FINANCIAL & SUBSCRIBERS DATA

	Jun 30, 2015	Jun 30, 2014	Change			
Mobile subscribers	2,056,111	2,065,572	-0.5%			
(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Service Revenues	16.5	19.8	-16.7%	32.2	38.6	-16.6%
Total Revenues	17.3	20.3	-14.8%	33.6	39.8	-15.6%
Total OpEx (ex- D&A, Impairments, VES & Restructuring Costs)	(14.6)	(13.5)	+8.1%	(27.3)	(26.0)	+5.0%
Pro Forma EBITDA*	2.7	6.8	-60.3%	6.3	13.8	-54.3%
Pro Forma EBITDA margin (%)	15.6%	33.5%	-17.9pp	18.8%	34.7%	-15.9pp

* Excluding impact of Restructuring costs

At the end of Q2'15, AMC's customer base totaled 2.1mn subscribers, unchanged from the year-earlier level, as the company successfully maintained its position in the highly competitive Albanian telecommunications market.

AMC posted an 8.7% increase in mobile handset data revenues in Q2'15 compared to the same period last year, fueled by the efficiency of its 3G network, with population coverage at 96%, and its very competitive smartphone and service offering.

Wholesale regulation introduced in December 2014 and announced retail regulation coming into force from July 1, further intensified competition in the Albanian market in Q2'15. In this context, AMC's total revenues declined by 14.8% and service revenues by 16.7%, compared to Q2'14. Excluding termination rate cuts, AMC's service revenues would have been up compared to Q2'14. The decline in revenues, which was mainly driven by termination rate changes and resulting competitive pressures have led to a significant EBITDA decline.

4. EVENTS OF THE QUARTER

BOD APPOINTMENTS

On April 1, 2015, OTE S.A. announced that the Company's Board of Directors elected as new members Manousos Manousakis, Vasileios Kafouros, Ioannis Margaritis, Athanasios Misdanitis and Konstantinos Christopoulos, in replacement of Nikolaos Karavitis, Stylianos Petsas, Theodoros Matalas, Leonidas Filippopoulos and Christos Kastoris, for the rest of their tenure, namely until the Ordinary General Assembly of Shareholders to be held in the year 2015. Following the conclusion of the Ordinary General Meeting on June 12, 2015, OTE S.A announced that the Board of Directors elected as a new member Mr Panagiotis Skevofylax in replacement of Mr Ioannis Margaritis.

BOND BUYBACK

On April 7, 2015, OTE SA announced that further to the Company's announcement in July 2014, its subsidiary OTE plc had repurchased a principal amount of €70.6mn in aggregate from the 4.625 per cent Notes due May 20, 2016 (ISIN: XS0275776283). The repurchased Notes have been cancelled. Following this repurchase and earlier buybacks, the outstanding principal amount of the Notes was €629.5mn.

OTE VOLUNTARY LEAVE SCHEMES

On May 22, 2015, OTE announced the implementation of a voluntary leave scheme mainly addressed to employees close to their retirement age. The scheme was completed at the end of June 2015, when the participating employees left the Company. The cost of the scheme amounted to €75mn.

LOANS TO THE AUXILIARY PENSION FUND/TAYTEKO

On May 28, 2015, following the approvals from OTE's and TAYTEKO's Board of Directors, an agreement was signed between the two parties for the restructuring of the loans OTE has granted to the Auxiliary Pension Fund/TAYTEKO, accepting the Fund's request in order to facilitate the payments of the monthly installments, due to the Fund's difficulties in repaying its obligations. The impact of this restructuring to the present value of these loans was €17.0mn (before tax) and is included in the income statement of the first half of 2015. The nominal amounts of these loan receivables have not been affected.

DIVIDEND DISTRIBUTION

On June 12, 2015, the General Assembly of OTE's Shareholders approved the distribution of a dividend from 2014 profits of a total amount of €39.1mn, or €0.08 per share. Dividend has been paid on August 5, 2015.

5. SUBSEQUENT EVENTS

INCOME TAX

Based on Law 4334/2015 published on July 16, 2015, the income tax rate of legal entities in Greece increased from 26% to 29% and the income tax prepayment increased from 80% to 100%, effective from January 1, 2015. The net effect of the tax rate change in the income tax of the Group and the Company will be positive in the income statement and is estimated to be €23.3mn and €17.9mn, respectively and will be recorded in the third quarter of 2015

REBRANDING OF AMC

On July 22, 2015, after the necessary approvals, AMC was renamed to TELEKOM ALBANIA.

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.

Consisting of the parent company OTE S.A. and its subsidiaries, the Group offers fixed-line (voice, broadband, data and leased lines), TV and mobile telephony services in Greece and Romania, as well as mobile telephony services in Albania. The Group is also involved in a range of activities in Greece, notably in real-estate and professional training.

OTE is listed on the Athens Stock Exchange and the London Stock Exchange. Following OTE's delisting from the NYSE, OTE's ADSs (American Depositary Shares) trade in the OTC (Over the Counter) market under the ticker HLTOY through the Level I ADSs program.

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, 2015 and December 31, 2014
- II. Consolidated Income Statements for the quarter and six months ended June 30, 2015 and comparative 2014
- III. Consolidated Statement of Cash Flows for the quarter ended June 30, 2015, and comparative quarters
- IV. Free Cash Flow to Adjusted Free Cash Flow Reconciliation for the quarter ended June 30, 2015, and comparative quarters
- V. Group Revenues for the quarter and six months ended June 30, 2015 and comparative 2014
- VI. Segment Reporting based on the Group's legal structure
- VII. Operational Highlights

EXHIBIT I – CONSOLIDATED BALANCE SHEET

(€ mn)	Jun 30, 2015	Dec 31, 2014
ASSETS		
Property, plant and equipment	2,967.5	3,103.3
Goodwill	506.0	505.9
Telecommunication licenses	570.7	575.4
Other Intangible assets	592.6	568.2
Investments	0.1	0.2
Loans and advances to pension funds	89.4	104.4
Deferred tax assets	339.1	360.0
Other non-current assets	72.2	93.0
Total non - current assets:	5,137.6	5,310.4
Inventories	109.5	87.9
Trade receivables	738.7	684.9
Other financial assets	6.6	3.7
Other current assets	261.7	203.0
Restricted Cash	3.9	4.5
Cash and cash equivalents	1,085.7	1,509.9
Total current assets	2,206.1	2,493.9
TOTAL ASSETS	7,343.7	7,804.3
EQUITY AND LIABILITIES		
Share capital	1,387.1	1,387.1
Share premium	496.7	496.7
Treasury shares	(14.7)	(14.8)
Statutory reserve	352.7	352.7
Foreign exchange and other reserves	(176.3)	(186.6)
Changes in non-controlling interests	(3,314.1)	(3,314.1)
Retained earnings	3,398.7	3,401.0
Total equity attributable to equity holders of the parent:	2,130.1	2,122.0
Non-controlling interests	371.5	376.4
Total equity	2,501.6	2,498.4
Long-term borrowings	1,480.7	2,173.1
Provision for staff retirement indemnities	218.3	244.6
Provision for Youth account	168.9	188.8
Deferred tax liabilities	57.0	60.3
Other non – current liabilities	189.4	204.2
Total non – current liabilities	2,114.3	2,871.0
Trade accounts payable	1,004.6	998.4
Short-term portion of long-term borrowings	667.4	465.4
Income tax payable	114.5	46.4
Deferred revenue	141.6	143.0
Provision for voluntary leave scheme	224.9	142.9
Dividends payable	39.3	0.5
Other current liabilities	535.5	638.3
Total current liabilities	2,727.8	2,434.9
Total liabilities	4,842.1	5,305.9
TOTAL EQUITY AND LIABILITIES	7,343.7	7,804.3

EXHIBIT II – CONSOLIDATED INCOME STATEMENT

(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
Total Revenues	953.5	950.6	+0.3%	1,894.3	1,914.3	-1.0%
Other operating income	9.3	16.1	-42.2%	25.4	26.3	-3.4%
Interconnection & Roaming Costs	(120.5)	(102.3)	+17.8%	(228.0)	(220.5)	+3.4%
Provision for doubtful accounts	(21.9)	(21.4)	+2.3%	(44.2)	(42.1)	+5.0%
Personnel Costs	(173.1)	(180.1)	-3.9%	(347.3)	(354.6)	-2.1%
Cost of Early Retirement Programs	(81.7)	(1.8)	-	(85.7)	(2.7)	-
Commission Costs	(36.9)	(36.6)	+0.8%	(72.8)	(73.5)	-1.0%
Device Costs	(63.3)	(61.9)	+2.3%	(139.0)	(130.4)	+6.6%
Maintenance & Repairs	(25.4)	(23.7)	+7.2%	(49.7)	(47.7)	+4.2%
Marketing	(30.9)	(28.1)	+10.0%	(54.9)	(54.0)	+1.7%
Other OpEx	(173.9)	(168.3)	+3.3%	(342.9)	(341.4)	+0.4%
Depreciation & Amortization	(199.8)	(200.5)	-0.3%	(400.6)	(395.5)	+1.3%
Total Operating Expenses	(927.4)	(824.7)	+12.5%	(1,765.1)	(1,662.4)	+6.2%
Total OpEx (ex- D&A, Impairments, VES & Restructuring Costs)	(644.4)	(620.5)	+3.9%	(1,275.3)	(1,261.0)	+1.1%
EBITDA	235.2	342.5	-31.3%	555.2	673.7	-17.6%
Pro forma EBITDA*	318.4	346.2	-8.0%	644.4	679.6	-5.2%
Operating Profit/(Loss) before financial activities (EBIT)	35.4	142.0	-75.1%	154.6	278.2	-44.4%
Interest Expense	(36.0)	(46.0)	-21.7%	(75.6)	(93.9)	-19.5%
Interest Income	0.7	1.7	-58.8%	1.5	3.2	-53.1%
FX differences, net	(0.6)	1.3	-	1.2	(0.1)	-
Impairment of investments and other financial assets	(17.7)	0.0	-	(19.9)	0.0	-
Gains/(Losses) from investments and financial assets	36.0	0.0	-	36.0	0.1	-
Total Profit/(Loss) from financial activities	(17.6)	(43.0)	-59.1%	(56.8)	(90.7)	-37.4%
Profit/(Loss) before income taxes (EBT)	17.8	99.0	-82.0%	97.8	187.5	-47.8%
Income tax	(25.8)	(27.3)	-5.5%	(66.8)	(60.9)	+9.7%
Profit/(Loss) for the period from continuing operations	(8.0)	71.7	-	31.0	126.6	-75.5%
Owners of the parent	(3.6)	69.3	-	36.8	125.1	-70.6%
Non-controlling interests	(4.4)	2.4	-	(5.8)	1.5	-

* Excluding the impact of Voluntary Retirement Programs and Restructuring Plans

EXHIBIT III – CONSOLIDATED STATEMENT OF CASH FLOWS

(€ mn)	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15
Profit/(Loss) before tax from continuing operations	99.0	104.8	103.1	80.0	17.8
Adjustments for:					
Depreciation, amortization and impairment	200.5	197.2	203.7	200.8	199.8
Costs related to early retirement programs	1.8	2.7	3.0	4.0	81.7
Provision for staff retirement indemnities	2.4	2.3	2.4	2.9	2.9
Provision for youth account	0.7	0.6	(1.0)	0.8	0.9
Write down of inventories	1.1	0.2	8.6	1.8	1.6
Provision for doubtful accounts	21.4	21.1	28.8	22.3	21.9
Other provisions	2.0	0.3	0.0	0.0	0.0
Foreign exchange differences, net	(1.3)	(0.8)	(2.8)	(1.8)	0.6
Interest income	(1.7)	(1.8)	(0.4)	(0.8)	(0.7)
(Gains)/Losses from investments and financial assets - Impairments	0.0	0.0	0.0	2.2	(18.3)
Interest expense	46.0	68.0	40.8	39.6	36.0
Working capital adjustments	(34.0)	(17.1)	130.4	(70.0)	(65.0)
Decrease/(increase) in inventories	(10.6)	3.8	9.7	(18.2)	(6.7)
Decrease/(increase) in accounts receivable	(12.8)	(4.2)	(5.7)	(70.3)	(94.9)
(Decrease)/increase in liabilities (except borrowings)	(10.6)	(16.7)	126.4	18.5	36.6
Plus/(Minus):					
Payment for Early Retirement Programs & voluntary leave scheme	(80.5)	(4.3)	(3.1)	(2.2)	(1.2)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(5.0)	(0.9)	(4.3)	(8.0)	(9.6)
Interest and related expenses paid	(70.4)	(68.7)	(14.1)	(61.5)	(35.3)
Income taxes paid	(12.8)	(32.7)	(15.0)	(5.0)	(11.3)
Net Cash Flows from Operating Activities	169.2	270.9	480.1	205.1	221.8
Sale or maturity of financial assets	12.4	0.0	0.4	0.0	0.0
Repayments of loans receivable	3.2	3.0	3.0	3.0	2.6
Purchase of property, plant and equipment and intangible assets	(157.5)	(149.8)	(173.2)	(228.2)	(139.6)
Decrease/(increase) in restricted cash	0.0	(0.7)	(0.1)	0.6	0.0
Proceeds from disposal of subsidiaries/investments, net of cash	(2.2)	0.0	0.0	0.0	0.0
Interest received	1.3	1.0	2.0	0.7	0.9
Net Cash flows from/(used in) Investing Activities	(142.8)	(146.5)	(167.9)	(223.9)	(136.1)
Acquisition of treasury shares	25.7	(5.6)	(4.6)	0.0	0.0
Proceeds from loans granted and issued	(0.0)	700.0	0.0	0.0	0.0
Repayment of loans	(407.8)	(500.0)	(105.2)	(459.5)	(33.8)
Dividends paid to Company's owners	(0.1)	0.0	0.0	0.0	(0.4)
Net Cash flows from/(used in) Financing Activities	(382.2)	194.4	(109.8)	(459.5)	(34.2)
Net Increase/(decrease) in Cash and Cash Equivalents	(355.8)	318.8	202.4	(478.3)	51.5
Cash and Cash equivalents at beginning of period	1,344.3	996.0	1,310.1	1,509.9	1,037.0
Net foreign exchange differences	7.5	(4.7)	(2.6)	5.4	(2.8)
Cash and Cash Equivalents at the end of the period	996.0	1,310.1	1,509.9	1,037.0	1,085.7
OTE Group's total liquidity (Cash & Other Financial assets)	1,000.4	1,314.3	1,513.6	1,044.6	1,092.3

EXHIBIT IV – FREE CASH FLOW TO ADJUSTED FREE CASH FLOW RECONCILIATION:

(€ mn)	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15
Net Operating Cash Flow (Reported)	169.2	270.9	480.1	205.1	221.8
...adding back:					
Payments for early retirement and VES	80.5	4.3	3.1	2.2	1.2
Payments for Other Restructuring Costs	1.9	1.0	16.3	4.8	13.4
Interest received	1.3	1.0	2.0	0.7	0.9
Adj. Net Operating Cash Flow (a)	252.9	277.2	501.5	212.8	237.3
Total Group CapEx (Reported)	(157.5)	(149.8)	(173.2)	(228.2)	(139.6)
...adding back:					
Spectrum Payments	4.2	0.0	40.4	68.4	8.5
Adj. CapEx (b)	(153.3)	(149.8)	(132.8)	(159.8)	(131.1)
Adj. Free Cash Flow (a+b)	99.6	127.4	368.7	53.0	106.1

EXHIBIT V – GROUP REVENUES

(€ mn)	Q2 '15	Q2 '14	Change	6M '15	6M '14	Change
- Retail Fixed Services	298.5	308.0	-3.1%	598.6	614.8	-2.6%
- Wholesale Fixed Services	158.3	135.3	+17.0%	305.9	287.7	+6.3%
- Other (Fixed Services)	68.8	77.1	-10.8%	149.6	155.6	-3.9%
Total Revenues from Fixed Business	525.6	520.4	+1.0%	1,054.1	1,058.1	-0.4%
Service Revenues	332.3	346.7	-4.2%	650.2	691.0	-5.9%
Handset Revenues	49.7	54.7	-9.1%	106.2	109.4	-2.9%
Other (Mobile)	4.3	4.4	-2.3%	8.7	8.0	+8.7%
Total Revenues from Mobile	386.3	405.8	-4.8%	765.1	808.4	-5.4%
Other Revenues	41.6	24.4	+70.5%	75.1	47.8	+57.1%
Total Revenues	953.5	950.6	+0.3%	1,894.3	1,914.3	-1.0%

EXHIBIT VI – SEGMENT REPORTING (Q2 2015)

	OTE SA	Cosmote Group	Romania Fixed	All Other	Adjust. & Elimin.	Group Consolidated
Fixed Business:						
Retail Services Revenues	215.7	0.0	83.4	0.0	(0.6)	298.5
Wholesale Services Revenues	81.7	0.0	28.3	76.1	(27.8)	158.3
Other Revenues (Fixed Business)	52.3	4.1	17.7	1.0	(6.3)	68.8
Total Revenues from Fixed Business	349.7	4.1	129.4	77.1	(34.7)	525.6
Mobile Business:						
Service Revenues	0.0	336.9	2.9	0.0	(7.5)	332.3
Handset Revenues	6.2	56.4	1.9	0.0	(14.8)	49.7
Other Mobile Revenues	0.0	19.7	0.1	0.0	(15.5)	4.3
Total Revenues from Mobile Business	6.2	413.0	4.9	0.0	(37.8)	386.3
Other Revenues	18.3	3.4	16.2	33.2	(29.5)	41.6
Total Revenues	374.2	420.5	150.5	110.3	(102.0)	953.5
Other Operating Income/(expense)	1.8	0.9	6.5	1.4	(1.3)	9.3
Interconnection & Roaming Costs	(24.6)	(32.9)	(26.1)	(66.0)	29.1	(120.5)
Provision for doubtful accounts	(5.1)	(13.0)	(3.5)	(0.3)	0.0	(21.9)
Personnel Costs	(91.6)	(40.9)	(22.8)	(6.9)	(10.9)	(173.1)
Cost of Early Retirement Programs	(75.0)	(4.8)	(1.4)	(0.5)	0.0	(81.7)
Commission Costs	(2.8)	(39.8)	(4.3)	0.0	10.0	(36.9)
Device Costs	(15.9)	(52.5)	(9.7)	(0.4)	15.2	(63.3)
Maintenance & Repairs	(9.1)	(8.8)	(7.9)	(0.1)	0.5	(25.4)
Marketing	(6.6)	(20.1)	(4.5)	0.0	0.3	(30.9)
Other OpEx	(76.3)	(79.4)	(52.1)	(24.9)	58.8	(173.9)
Total OpEx (ex-Depreciation)	(307.0)	(292.2)	(132.3)	(99.1)	103.0	(727.6)
EBITDA	69.0	129.2	24.7	12.6	(0.3)	235.2
EBITDA margin (%)	18.4%	30.7%	16.4%	11.4%		24.7%
Total Opex (ex Depreciation, VES & Restructuring costs)	(232.0)	(285.9)	(130.9)	(98.6)	103.0	(644.4)
EBITDA (Pro Forma)*	144.0	135.5	26.1	13.1	(0.3)	318.4
Pro Forma EBITDA margin (%)	38.5%	32.2%	17.3%	11.9%		33.4%
Depreciation & Amortization	(70.2)	(88.7)	(34.6)	(6.3)	0.0	(199.8)
EBIT	(1.2)	40.5	(9.9)	6.3	(0.3)	35.4

*Excluding impact of Voluntary Retirement Programs and Restructuring Plans

EXHIBIT VI – SEGMENT REPORTING (Q2 2014)

	OTE SA	Cosmote Group	Romania Fixed	All Other	Adjust. & Elimin.	Group Consolidated
Fixed Business:						
Retail Services Revenues	216.3	0.0	91.0	0.8	(0.1)	308.0
Wholesale Services Revenues	79.6	0.0	27.8	57.2	(29.3)	135.3
Other Revenues (Fixed Business)	51.4	4.2	22.5	4.4	(5.4)	77.1
Total Revenues from Fixed Business	347.3	4.2	141.3	62.4	(34.8)	520.4
Mobile Business:						
Service Revenues	0.0	353.3	1.0	0.0	(7.6)	346.7
Handset Revenues	3.9	59.3	0.4	0.0	(8.9)	54.7
Other Mobile Revenues	0.0	12.4	0.4	0.0	(8.4)	4.4
Total Revenues from Mobile Business	3.9	425.0	1.8	0.0	(24.9)	405.8
Other Revenues	20.6	1.1	6.6	37.4	(41.3)	24.4
Total Revenues	371.8	430.3	149.7	99.8	(101.0)	950.6
Other Operating Income/(expense)	0.4	0.8	15.0	1.1	(1.2)	16.1
Interconnection & Roaming Costs	(31.6)	(30.0)	(24.2)	(46.6)	30.1	(102.3)
Provision for doubtful accounts	(5.0)	(13.4)	(3.0)	0.0	0.0	(21.4)
Personnel Costs	(82.8)	(40.0)	(25.6)	(22.8)	(8.9)	(180.1)
Cost of Early Retirement Programs	0.0	(1.0)	(0.8)	0.0	0.0	(1.8)
Commission Costs	(1.9)	(41.7)	(3.1)	0.0	10.1	(36.6)
Device Costs	(8.8)	(55.3)	(6.7)	(0.4)	9.3	(61.9)
Maintenance & Repairs	(14.2)	(8.8)	(5.6)	(0.2)	5.1	(23.7)
Marketing	(6.5)	(19.4)	(2.3)	(0.1)	0.2	(28.1)
Other OpEx	(83.8)	(75.7)	(49.3)	(15.8)	56.3	(168.3)
Total OpEx (ex-Depreciation)	(234.6)	(285.3)	(120.6)	(85.9)	102.2	(624.2)
EBITDA	137.6	145.8	44.1	15.0	0.0	342.5
EBITDA margin (%)	37.0%	33.9%	29.5%	15.0%	0.0%	36.0%
Total Opex (ex Depreciation, VES & Restructuring costs)	(234.6)	(282.4)	(119.8)	(85.9)	102.2	(620.5)
EBITDA (Pro Forma)*	137.6	148.7	44.9	15.0	0.0	346.2
Pro Forma EBITDA margin (%)	37.0%	34.6%	30.0%	15.0%	0.0%	36.4%
Depreciation & Amortization	(68.8)	(85.3)	(39.7)	(6.7)	0.0	(200.5)
EBIT	68.8	60.5	4.4	8.3	0.0	142.0

*Excluding impact of Voluntary Retirement Programs and Restructuring Plans

EXHIBIT VII – OPERATIONAL HIGHLIGHTS

	Jun 30, 2015	Jun 30, 2014	Change
Fixed Line Operations, Greece			
PSTN connections	2,369,831	2,463,617	-3.8%
ISDN connections (BRA & PRA)	322,027	345,158	-6.7%
Other (MSAN)	20,400	11,702	+74.3%
OTE access line connections (incl. WLR)	2,712,258	2,820,477	-3.8%
<i>Of which Wholesale line rental (WLR) connections</i>	<i>22,146</i>	<i>40,907</i>	<i>-45.9%</i>
OTE Retail access line connections (ex-WLR)	2,690,112	2,779,570	-3.2%
<hr/>			
Total OTE Broadband active subscribers	1,449,371	1,335,120	+8.6%
OTE Broadband active retail subscribers	1,428,560	1,309,679	+9.1%
OTE TV Subscribers (IPTV & Satellite)	377,548	295,845	+27.6%
Unbundled local loops (active)	2,040,721	1,969,577	+3.6%
Employees	8,451	6,869	+23.0%
<hr/>			
Fixed Line Operations, Romania			
Voice Telephony lines (Incl. CDMA)	2,161,718	2,191,342	-1.4%
Broadband subscribers(Incl. CDMA BB)	1,207,689	1,244,563	-3.0%
TV subscribers (DTH, IPTV & Cable)	1,420,828	1,384,100	+2.7%
Employees	6,045	6,625	-8.8%
<hr/>			
Mobile Operations			
Mobile subscribers, Greece	7,386,271	7,397,302	-0.1%
Mobile subscribers, Albania	2,056,111	2,065,572	-0.5%
Mobile subscribers, Romania	5,861,317	5,996,059	-2.2%
Employees	6,768	6,056	+11.8%