GROUP OF COMPANIES

OTE GROUP REPORTS 2018 FIRST QUARTER RESULTS

- Group EBITDA up 3.6% on robust performance in Greece
- Greece progress fueled by successful investments:
    - Accelerating take-up of fiber broadband
    - Growth in mobile driven by data;
    - Increased digitalization, adoption of mobile app picking up
- Romania retail revenues stable on successful mobile services
- Improving trends in Albania
- Cash Flow generation on track to meet full-year target
- Share buyback program launched in April

(€ mn)	Q1 '18	Q1 '17	Change
Revenues	921.3	929.0	-0.8%
Adjusted EBITDA	315.1	304.1	+3.6%
Adjusted EBITDA margin (%)	*34.2%*	*32.7%*	*+1.5pp*
Operating profit before financial and investing activities	110.9	104.5	+6.1%
Profit to owners of the parent	39.0	36.4	+7.1%
Adj.Profit to owners of the parent	50.6	38.2	+32.5%
Basic EPS (€)	0.0798	0.0745	+7.1%
Total Assets	6,585.9	7,381.7	-10.8%
Adjusted CapEx	166.6	185.0	-9.9%
Adjusted Free Cash Flow	8.6	(11.3)	-
Cash & Other financial assets	765.9	1,489.3	-48.6%
Adjusted Net Debt	748.0	572.8	+30.6%

Note: The purpose and calculations of all 'Adjusted' data presented in this report are detailed in the Alternative Performance Measures Section

ATHENS, Greece – May 09, 2018 - Hellenic Telecommunications Organization SA
(ASE: HTO; OTC MARKET: HLTOY), the Greek full-service telecommunications provider, announced today consolidated results (prepared under IFRS) for the quarter ended March 31, 2018.

Commenting on OTE's 2018 first-quarter results, Michael Tsamaz, Chairman & CEO, noted: "We started 2018 with a solid performance. Subscriber take-up for our high-speed fiber broadband service is driving retail revenue growth in Greece, as we further upgrade our network to offer more customers, speeds of up to 200 Mbps. We are also reaping the benefits of our superior mobile service, with data growth responding to our initiatives and revenues recovering. Our digitalization initiatives are enhancing customer experience and driving cost savings. These factors support our EBITDA performance. In Romania, our new mobile offers launched at year end, complementing our FMC proposition, are gaining traction and supporting our strategy. And, in Albania, profitability improved sharply, as the market shows signs of recovery following the exit of the fourth operator."
Mr. Tsamaz added: "All in all, we delivered positive results and are confident that we will continue to do so for the remainder of the year. After the end of the quarter, we initiated our share buyback program, consistent with the shareholder remuneration policy announced in January, and our cash flow is on track to deliver our targeted performance and support our dividend this year."

Note: The Group has applied IFRS 15 and IFRS 9 using the cumulative effect method. Under this method, the comparative information for 2017 is not restated.

Outlook

OTE expects the generally positive trend of the first quarter to continue throughout 2018, particularly in its home market. The recovering economic environment in Greece is expected to provide a favorable background in fixed and mobile telecommunication services, with continuing growth expected in mobile data and broadband. The extended reach of advanced data networks, in both fixed and mobile, drives increased customer reliance on OTE services, supporting its revenue base. While operational progress in Romania is encouraging, the outlook remains uncertain. In Albania, provided the regulatory environment remains unchanged, an improving market structure is likely to enable a continuing performance recovery.

In 2018, management expects adjusted Capex of approximately €700mn. Reflecting further cash generation improvements, OTE expects 2018 full-year adjusted FCF of approximately €350mn. Reported FCF will reach approximately €260mn, to be fully paid out to shareholders pursuant to the shareholder remuneration policy announced earlier this year.

OTE GROUP HIGHLIGHTS

In Q1'18, OTE Group revenues dropped by 0.8% to €921.3mn, reflecting a €12mn decline in "All Other" segment due to the completion of the Rural Broadband project in Greece last year, and lower international transit traffic (OTE Globe), two revenue streams with very low profitability.

Total Operating Expenses, excluding depreciation, amortization, impairment and charges related to voluntary leave schemes, other restructuring costs and non-recurring litigations, amounted to €618.1mn in Q1'18, a 3.0% drop compared to Q1'17. Following the new Collective Labor Agreement concluded in March, the Company reversed part of its Staff Retirement Indemnity (SRI) provision, positively impacting operating expenses for the quarter. In addition, the decrease in operating expenses was driven by lower interconnection expenses, the completion of the construction phase of the Rural Broadband projects, and the overall ongoing cost discipline.

As a result, in Q1'18, the Group's adjusted EBITDA increased by 3.6% to €315.1m. In Greece, adjusted EBITDA increased by 5.3%, yielding an adjusted EBITDA margin of 40.9%, up 230 basis points from Q1'17. In Romania, adjusted EBITDA dropped by 10.8% and in Albania, rose by 112.5%.

The Group reported Operating profit before financial and investing activities of €110.9mn, up from €104.5mn in Q1'17. The increase reflects improved EBITDA performance despite a small increase in depreciation and amortization.

The Group's Income Tax charge stood at €45.8mn in Q1'18, up 6.8%, reflecting higher operating profit before taxes.

Adjusted Group profit after minority interests (excluding one-off items) increased by 32.5% to €50.6mn in Q1'18 compared to €38.2mn in Q1'17.

Adjusted Capital Expenditures amounted to €166.6mn in Q1'18, a 9.9% decline, or €18.4mn, with investments in Greece standing at €115.3mn, in Romania at €49.9mn, and in Albania at €1.4mn.

In Q1'18, the Group's adjusted Free Cash Flow stood at €8.6mn, a nearly €20mn positive swing compared to Q1'17, linked to lower CAPEX in the quarter.

The Group's adjusted Net Debt was €0.7bn at March 31, 2018, an increase of 30.6% compared to March 31, 2017. In Q1'18 the Group redeemed the February 2018 $7^{7/8}$ coupon bonds, worth €590m. This will work towards the reduction of financial costs going forward. The Group's ratio of adjusted Net Debt to adjusted EBITDA stood at 0.6x.

Per Country Figures

Revenues (€ mn)	Q1 '18	Q1 '17	Change	*Excl. IFRS 15* Q1 '18	Change
Greece	685.5	690.0	-0.7%	685.8	-0.6%
Romania	226.5	230.3	-1.7%	226.0	-1.9%
Albania	15.8	15.7	+0.6%	15.8	+0.6%
Eliminations	(6.5)	(7.0)	-7.1%	(6.5)	-7.1%
OTE GROUP	**921.3**	**929.0**	**-0.8%**	**921.1**	**-0.9%**

Adjusted EBITDA (€ mn)	Q1 '18	Q1 '17	Change	*Excl. IFRS 15* Q1 '18	Change
Greece	280.3	266.2	+5.3%	281.1	+5.6%
Margin (%)	*40.9%*	*38.6%*	*+2.3pp*	*41.0%*	*2.4 pp*
Romania	33.1	37.1	-10.8%	30.9	-16.7%
Margin (%)	*14.6%*	*16.1%*	*-1.5pp*	*13.7%*	*-2.4 pp*
Albania	1.7	0.8	+112.5%	1.6	+100.0%
Margin (%)	*10.8%*	*5.1%*	*+5.7pp*	*10.1%*	*5 pp*
OTE GROUP	**315.1**	**304.1**	**+3.6%**	**313.6**	**+3.1%**
Adj. EBITDA margin (%)	***34.2%***	***32.7%***	***+1.5pp***	***34.0%***	***1.3 pp***

GREECE

	Q1'18	Q1'17	Q4'17	y-o-y change
Fixed lines access	2,645,003	2,639,820	2,639,132	+0.2%
Broadband subscribers	1,802,680	1,654,968	1,759,752	+8.9%
*of which fiber service**	*405,321*	*252,310*	*354,257*	*+60.6%*
TV subscribers	527,716	504,794	524,770	+4.5%
Mobile Subscribers	8,053,430	7,732,994	7,981.236	+4.1%

**Including VDSL, Vectoring & Super Vectoring*

In Q1'18, the total Greek access market added 9k lines, while OTE's fixed-line operations achieved positive net additions of 6k access lines.

OTE posted another quarter of strong net additions in retail broadband customers, totaling 43k, reaching 1,803k. Penetration of OTE's high-speed fiber broadband service continued to expand, with record net additions of 51k in the quarter, an accelerating trend, supported by the expanding reach of the service and validating OTE's investments in FTTC. At quarter end, OTE's FTTC offer had been adopted by over 405k subscribers, or 22.5% of OTE's total retail broadband base, up from 20.1% at the end of 2017. OTE's premium fiber service, offering broadband speeds of up to 200Mbps, is gaining traction. The increasing availability of fiber services and the evolving demand for high-speed broadband, together with the opportunity to expand OTE's broadband customer base, continue to drive OTE's positive performance. At March 31, OTE's total number of VDSL/Vectoring activated cabinets amounted to 12.2k, an increase of over 700 units in the quarter.

OTE achieved a good quarter in its TV offering, with net additions of 3k, though the market is clearly showing signs of maturity. At March 31, 2018, the total number of OTE TV subscribers was 528k, a year-on-year increase of 4.5%.

(€ mn)	Q1 '18	Q1 '17	Change	*Excl. IFRS 15* Q1 '18	*Excl. IFRS 15* Change
Revenues	**685.5**	**690.0**	**-0.7%**	**685.8**	**-0.6%**
Retail Fixed Services	*224.9*	*223.7*	*+0.5%*	*226.0*	*+1.0%*
Mobile Service Revenues	*212.6*	*214.3*	*-0.8%*	*219.5*	*+2.4%*
Wholesale Services	*139.9*	*147.6*	*-5.2%*	*139.9*	*-5.2%*
Other Revenues	*108.1*	*104.4*	*+3.5%*	*100.4*	*-3.8%*
Adjusted EBITDA	**280.3**	**266.2**	**+5.3%**	**281.1**	**+5.6%**
Adjusted EBITDA margin (%)	***40.9%***	***38.6%***	***+2.3pp***	***41.0%***	***+2.4pp***

In Greece, total revenues were down 0.7% to €685.5mn in Q1'18, primarily reflecting a decline in wholesale revenues.

Retail Fixed revenues were up, fueled by a sharp increase in broadband revenues, while the decline in voice revenues continued to narrow.

The small drop in Mobile Service revenues was entirely due to the adoption of IFRS 15; excluding this factor, Mobile Service revenues were up by 2.4%, extending the string of year-on-year low-to-mid single-digit increases achieved since Q2 last year. Once again, Mobile Service revenue growth was largely fueled by data usage. In the quarter, the Cosmote mobile app had been adopted by 1.6mn users, a year-on-year increase of nearly 75%; together with other Cosmote digitalization initiatives, the app is instrumental in improving customer experience and enabling cost savings.

Total adjusted EBITDA in Greece was up sharply in the quarter, at €280.3mn. Approximately one-half of the improvement is due to net impact of SRI and other provisions, while the balance primarily reflects improved underlying profitability in fixed and mobile service revenues.

ROMANIA

	Mar 31, 2018	Mar 31, 2017	Change
Voice telephony Lines*	2,093,649	2,127,954	-1.6%
Broadband subscribers*	1,170,274	1,179,831	-0.8%
TV subscribers*	1,463,801	1,457,269	+0.4%
FMC customers	*550,000*	*398,242*	*+38.1%*
Mobile Subscribers	4,681,751	5,023,389	-6.8%

**Including FMC*

(€ mn)	Q1 '18	Q1 '17	Change	*Excl. IFRS 15* Q1 '18	*Excl. IFRS 15* Change
Revenues	**226.5**	**230.3**	**-1.7%**	**226.0**	**-1.9%**
Retail Fixed Services	*65.8*	*74.4*	*-11.6%*	*67.5*	*-9.3%*
Mobile Service Revenues	*81.6*	*77.4*	*+5.4%*	*83.4*	*+7.8%*
Wholesale Services	*19.6*	*25.0*	*-21.6%*	*19.6*	*-21.6%*
Other Revenues	*59.5*	*53.5*	*+11.2%*	*55.5*	*+3.7%*
Adjusted EBITDA	**33.1**	**37.1**	**-10.8%**	**30.9**	**-16.7%**
Adjusted EBITDA margin (%)	***14.6%***	***16.1%***	***-1.5pp***	***13.7%***	***-2.4pp***

Total revenues from Romania were down 1.7% to €226.5mn in Q1'18. Revenues from Retail Fixed services were down 11.6% or 9.3% excluding the IFRS 15 impact. Fixed voice revenues were down 19%, while broadband and TV revenues declined by 9% and 5%, respectively.

Growth in Mobile Service revenues from both traditional mobile and the fixed-mobile convergent (FMC) solution reflects the success of the recently introduced #netliberare offerings, providing affordable mobile internet access and a competitive mobile offering in the market.

Excluding the IFRS 15 effect, Mobile Service revenues were up 7.8% at €83.4mn in Q1'18, largely reflecting higher postpaid revenues, as well as FMC solutions. Total Revenues from FMC services increased by 52%, as the number of FMC subscribers rose by 38% year-on-year, to 550k at the end of Q1'18.

Telekom Romania Mobile's customer base totaled 4.7mn at the end of Q1'18, down 6.8% from the year-earlier level due to elimination of inactive customers. Of the total customer base, 35% were postpaid. The total number of business customers increased by 2.3% compared to Q1'17, reflecting the improved appeal of the Company's offers.

Other Revenues were also up sharply by 11.2%, mainly driven by handset revenues due to the adoption of IFRS 15. This was more than offset by continuing pressure on Retail Fixed Services revenues and a sharp decline in Wholesale, mainly due to international transit.

Combined adjusted EBITDA in Romania decreased by 10.8% to €33.1mn in Q1'18, reflecting the decline in retail fixed services.

ALBANIA

	Mar 31, 2018	Mar 31, 2017	Change
Mobile Subscribers	1,899,439	1,829,139	+3.8%

Financial Data

				Excl. IFRS 15	
(€ mn)	**Q1 '18**	**Q1 '17**	**Change**	**Q1 '18**	**Change**
Revenues	**15.8**	**15.7**	**+0.6%**	**15.8**	**+0.6%**
Service Revenues	*15.3*	*15.2*	*+0.7%*	*15.4*	*+1.3%*
Adjusted EBITDA	**1.7**	**0.8**	**+112.5%**	**1.6**	**+100.0%**
Adjusted EBITDA margin (%)	***10.8%***	***5.1%***	***+5.7pp***	***10.1%***	***+5pp***

As of Q1'18, Telekom Albania's customer base totaled 1.9mn subscribers, up 3.8% compared to the same quarter last year.

In Q1'18, Telekom Albania's Service revenues rose by 0.7%, more than offsetting a 25% decrease in interconnection.
Adjusted EBITDA more than doubled to €1.7mn compared to Q1'17, driven by an improved retail margin.

SIGNIFICANT EVENTS OF THE QUARTER

SHAREHOLDER REMUNERATION POLICY

On January 19, 2018, OTE announced the approval by its Board of Directors of a medium-term Shareholder Remuneration Policy. Should the economic environment remain stable, the Company intends to distribute to its shareholders, through a combination of dividend and share buyback, the free cash flow it generates every year, after incorporating consideration for spectrum acquisitions and one-off items. The split between ordinary dividends and share buybacks is targeted at approximately 65%/35%, respectively, in 2018 and in the medium term. The implementation of the Remuneration Policy will start in 2018, and will be based on the free cash flow projections for the year.

Pursuant to the new shareholder remuneration policy, the extraordinary General Meeting of Shareholders held on February 15, 2018, approved the share buyback for up to 10% of the Company's total paid up share capital for a period of 24 months, beginning February 15, 2018. The shares acquired will be canceled.

BILATERAL TERM LOAN WITH THE EUROPEAN INVESTMENT BANK (EIB)

On January 23, 2018, COSMOTE proceeded with the drawdown of the full amount under the €150.0mn bilateral term loan with EIB, which was signed on July 10, 2017. The loan has a tenor of 7 years, will be repaid via equal semi-annual instalments and the interest rate was set at 2.805% p.a.

REPAYMENT OF NOTES UNDER THE GLOBAL MEDIUM-TERM PROGRAM

On February 7, 2018, OTE PLC fully repaid the remaining outstanding amount of €590.3mn under the Notes maturing on that date along with the accrued interest.

PRINCIPAL REPAYMENT UNDER THE €150.0 MILLION SYNDICATED FACILITY ARRANGED BY THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

On January 12, 2018, COSMOTE repaid principal of €23.0mn under the syndicated facility with EBRD, along with the accrued interest

OTE's CREDIT VALUATION

On January 24, 2018, Standard & Poor's Ratings Services raised its long-term corporate credit rating on OTE to 'BB-' from 'B+'

SUBSEQUENT EVENTS

SHAREHOLDER REMUNERATION POLICY - SHARE BUYBACK PROGRAM

With respect to its new Shareholder Remuneration Policy and pursuant to the approval by the Extraordinary Shareholders General Meeting held on February 15, 2018, OTE launched its share buyback program on April 4, 2018. Through May 7, 2018, OTE had acquired 896,850 own shares for a total consideration of €10.3mn. The shares acquired will be canceled, following approval from Shareholders General Meeting. As of May 7, 2018, OTE possessed 2,239,960 own shares for a total value of €24.8mn.
The aggregated amount of the share buy-back program is intended to be of a range of €85.0mn to €95.0mn and will be completed at any time between October 1, 2018 and January 31, 2019.

About OTE

OTE Group is the largest telecommunications provider in the Greek market and one of the leading telecom groups in Southeast Europe with presence in Greece, Romania and Albania. OTE is among the largest listed companies, with respect to market capitalization, in the Athens Stock Exchange.

OTE Group offers the full range of telecommunications services: from fixed-line and mobile telephony, broadband services, to pay television and ICT solutions. In addition to its core telecommunications activities, the Group is also involved in maritime communications, real-estate and professional training.

Additional Information is also available on: https://www.cosmote.gr/

Information on Financial Statements of OTE Group is available on:
https://www.cosmote.gr/fixed/en/corporate/ir/financial-results/financial-statements-of-ote-group-and-ote-sa

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Forward looking Disclaimer:

Exhibits to follow:

I. Alternative Performance Measures "APMs"

II. Consolidated Statements of Financial Position as of March 31, 2018 and December 31, 2017

III. Consolidated Income Statements for the quarter ended March 31, 2018 and comparative 2017

IV. Group Revenues for the quarter ended March 31, 2018 and comparative 2017

V. Consolidated Statement of Cash Flows for the quarter ended March 31, 2018 and comparative quarters

VI. Per Segment Information for the quarter ended March 31, 2018 and comparative 2017 – IFSR 15 impact

Note: The Group has applied IFRS 15 and IFRS 9 using the cumulative effect method. Under this method, the comparative information for 2017 is not restated.

GROUP OF COMPANIES

I. ALTERNATIVE PERFORMANCE MEASURES "APMs"

The Group uses certain Alternative Performance Measures ("APMs") in making financial, operating and planning decisions as well as in evaluating and reporting its performance. These APMs provide additional insights and understanding to the Group's underlying operating and financial performance, financial condition and cash flow. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items.

Definitions and reconciliations of Alternative Performance Measures ("APMs")

Alternative Performance Measures ("APMs")
In discussing the performance of the Group, "Adjusted" measures are used such as: Adjusted EBITDA and the respective margin %, Adjusted net operating cash flow, Adjusted CapEx, and Adjusted Free Cash Flow. These are calculated by deducting from the performance measures deriving from directly reconcilable amounts of the Financial Statements, the impact of costs or payments related to voluntary leave schemes, costs or payments for restructuring plans and non-recurring litigations and Spectrum acquisitions.

Costs or payments related to Voluntary Leave Schemes
Costs or payments related to Voluntary Leave Schemes comprise the exit incentives provided to employees and the contributions to the social security fund to exit/retire employees before conventional retirement age. These costs are included within the income statement as well as within the cash flow statement lines "costs related to voluntary leave schemes" and "payments for voluntary leave schemes". However, they are excluded from the adjusted results in order for the user to obtain a better understanding of the Group's operating and financial performance achieved from ongoing activity.

Costs or payments related to other restructuring plans and non-recurring litigations
Other restructuring costs and non-recurring litigations comprise non-ongoing activity related costs arising from significant changes in the way the Group conducts business and non-recurring legal expenses. These costs are included in the Company's/Group's income statement, while the payment of these expenses are included in the cash flow statement. However, they are excluded from the adjusted results in order for the user to obtain a better understanding of the Group's operating and financial performance achieved from ongoing activity.

Spectrum acquisition payments
Spectrum payments comprise the amounts paid to acquire rights (licenses) through auctions run by the National Regulator to transmit signals over specific bands of the electromagnetic spectrum. As those payments are of significant size and of irregular timing, it is a common industry practice to be excluded for the calculation of the Adjusted Free Cash Flow and Adjusted Capital Expenditure (CapEx) in order to facilitate comparability with industry peers.

Net debt
Net debt is an APM used by management to evaluate the Group's capital structure and leverage. Net debt is defined as short-term borrowings plus long-term borrowings plus short-term portion of long-term borrowings less cash and cash equivalents as illustrated in the table below.

Adjusted Net Debt
Net debt (adjusted) is used by management to evaluate the Group's capital structure and leverage defined as Net debt including other financial assets as they are highly liquidity assets. The calculations are described in the table below:

Amounts in € mn	31/03/2018	31/03/2017	Change
Long-term borrowings	1,327.7	1,249.9	+6.2%
Short-term portion of long-term borrowings	186.2	812.2	-77.1%
Short-term borrowings	-	-	-
Cash and cash equivalents	(760.0)	(1,483.8)	-48.8%
Net Debt	**753.9**	**578.3**	**+30.4%**
Other financial assets	(5.9)	(5.5)	+7.3%

Adjusted Net Debt	**748.0**	**572.8**	**+30.6%**

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

EBITDA is intended to provide useful information to analyze the Group's operating performance. EBITDA is defined as total revenues plus other operating income less total operating expenses before depreciation, amortization and impairment, as illustrated in the table below. EBITDA margin (%) is defined as EBITDA divided by total revenues.

Adjusted EBITDA (Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes and other restructuring costs and non-recurring litigations)

Adjusted EBITDA is intended to provide useful information to analyze the Group's operating performance excluding the impact of costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations. Adjusted EBITDA is defined as EBITDA adding back costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations, as illustrated in the table below. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA divided by total revenues.

Amounts in € mn	Q1 '18	Q1 '17	Change
Total Revenues	921.3	929.0	-0.8%
Other Operating Income	11.9	12.2	-2.5%
Total operating expenses before depreciation, amortization and impairment	(618.4)	(639.6)	-3.3%
EBITDA	**314.8**	**301.6**	**+4.4%**
EBITDA margin %	**34.2%**	**32.5%**	**+1.7pp**
Costs related to voluntary leave schemes	0.3	2.5	-88.0%
Other restructuring and non-recurring litigations	-	-	-
Adjusted EBITDA	**315.1**	**304.1**	**+3.6%**
Adjusted EBITDA margin %	**34.2%**	**32.7%**	**+1.5pp**

Adjusted Profit to owners of the parent

Adjusted Profit for the period attributable to owners of the parent is intended to provide useful information to analyze the Group's net profitability excluding the impact of significant non-recurring or irregularly recorded items in order to facilitate comparability with previous ongoing performance. Adjusted Profit for the period (attributable to owners of the parent) is calculated by adding back to the Profit of the period (attributable to owners of the parent) the impact upon it of the following items: costs related to voluntary leave schemes, net impact from impairments and write offs, reassessment of deferred tax, financial expenses for bond issue and bond buyback premium, reversal of provision related to Assets sales, other restructuring costs and non-recurring litigation expenses, as illustrated in the table below.

Amounts in € mn – After Tax impact	Q1 '18	Q1 '17	Change
Profit to owners of the parent (reported)	**39.0**	**36.4**	**+7.1%**
Costs related to voluntary leave schemes	0.2	1.8	-88.9%
Net Impact from Impairments & Write offs	11.4	-	-
Adjusted Profit to owners of the parent	**50.6**	**38.2**	**+32.5%**

Capital expenditure (CAPEX) and Adjusted Capital expenditure

Capital expenditure is defined as payments for purchase of property plant and equipment and intangible assets. The Group uses capital expenditure as an APM to ensure that the cash spending is in line with its overall strategy for the use of cash. Adjusted capital expenditure is calculated by excluding from Capital expenditure, spectrum payments and capital expenditure payments related to non-recurring litigation as illustrated in the table below:

Amounts in € mn	Q1 '18	Q1 '17	Change
Purchase of property plant and equipment and intangible assets (reported) - CAPEX	(183.1)	(200.5)	-8.7%
Spectrum Payments	16.5	15.5	+6.5%
Adjusted CAPEX	**(166.6)**	**(185.0)**	**-9.9%**

Adjusted Net Operating Cash Flow

Net Cash from operating activities focuses on the cash inflows and outflows from a company's main business activities (interest expense and income tax paid included on the outflows). Adjusted Net Operating Cash Flow is defined as net cash flows from operating activities adding back payments for voluntary leave schemes, payments for other restructuring plans and non-recurring litigation expenses plus interest received, as illustrated in the table below:

Amounts in € mn	Q1 '18	Q1 '17	Change
Net cash flows from operating activities (reported)	**171.2**	**162.4**	**+5.4%**
Payment for voluntary leave schemes	3.6	7.3	-50.7%
Payment for restructuring and non-recurring litigations	-	3.6	-
Interest received	0.4	0.4	0.0%
Adjusted Net Operating Cash Flow	**175.2**	**173.7**	**+0.9%**

Free Cash Flow

Free cash flow is an APM used by the Group and defined as cash generated by operating activities after payments for purchase of property plant and equipment and intangible assets (CAPEX) and adding the interest received. Free cash flow is intended to measure the cash generation from the Group's business, based on operating activities, including the efficient use of working capital and taking into account its payments for purchases of property plant and equipment and intangible assets. The Group presents free cash flow because it believes the measure assists users of the financial statements in understanding the Group's cash generating performance as well as availability for debt repayment, dividend distribution and own reserves.

Amounts in € mn	Q1 '18	Q1 '17	Change
Net cash flows from operating activities	171.2	162.4	5.4%
Purchase of property, plant, equipment & intangible assets	(183.1)	(200.5)	-8.7%
Interest received	0.4	0.4	0.0%
Free Cash Flow	**(11.5)**	**(37.7)**	**-69.5%**

Adjusted Free Cash Flow

Adjusted Free Cash Flow facilitates comparability of Cash Flow generation with industry peers. Adjusted Free Cash Flow is useful in connection with discussions with the investment analyst community and debt rating agencies. Adjusted Free Cash Flow is calculated by excluding from the Free Cash Flow (defined earlier) the payments related to voluntary leave schemes, other restructuring plans and non-recurring litigation expenses and spectrum.

Amounts in € mn	Q1 '18	Q1 '17	Change
Free Cash Flow	**(11.5)**	**(37.7)**	**-69.5%**
Payment for voluntary leave schemes	3.6	7.3	-50.7%
Payment for restructuring and non-recurring litigations	-	3.6	-
Spectrum payments	16.5	15.5	+6.5%
Adjusted FCF	**8.6**	**(11.3)**	**-176.1%**

II. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in € mn	GROUP	
	31/03/2018	31/12/2017
ASSETS		
Property, plant and equipment	2,721.5	2,740.9
Goodwill	447.1	447.1
Telecommunication licenses	513.8	523.6
Other intangible assets	474.3	504.2
Investments	0.1	0.1
Loans to pension funds	81.7	82.5
Deferred tax assets	299.2	313.5
Contract costs	42.2	-
Other non-current assets	112.7	112.1
Total non - current assets	**4,692.6**	**4,724.0**
Current assets		
Inventories	107.3	91.3
Trade receivables	711.7	719.7
Other financial assets	5.9	5.9
Contract assets	32.9	-
Other current assets	270.9	259.3
Restricted Cash	4.6	4.3
Cash and cash equivalents	760.0	1,297.7
Total current assets	**1,893.3**	**2,378.2**
TOTAL ASSETS	**6,585.9**	**7,102.2**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	1,387.1	1,387.1
Share premium	496.5	496.4
Treasury shares	(14.5)	(14.5)
Statutory reserve	373.5	373.5
Foreign exchange and other reserves	(152.5)	(157.1)
Changes in non-controlling interests	(3,314.1)	(3,314.1)
Retained earnings	3,656.8	3,573.1
Total equity attributable to owners of the Parent	**2,432.8**	**2,344.4**
Non-controlling interests	247.1	245.0
Total equity	**2,679.9**	**2,589.4**
Non-current liabilities		
Long-term borrowings	1,327.7	1,276.2
Provision for staff retirement indemnities	195.4	224.3
Provision for youth account	127.7	129.9
Contract liabilities	21.5	-
Deferred tax liabilities	29.7	30.6
Other non – current liabilities	95.0	130.8
Total non – current liabilities	**1,797.0**	**1,791.8**
Current liabilities		
Trade accounts payable	1,101.5	1,162.4
Short-term portion of long-term borrowings	186.2	764.5
Income tax payable	71.9	41.6
Contract liabilities	128.3	-
Deferred revenue	0.0	128.3
Provision for voluntary leave schemes	139.3	139.3
Dividends payable	0.4	0.4
Other current liabilities	481.4	484.5
Total current liabilities	**2,109.0**	**2,721.0**
TOTAL EQUITY AND LIABILITIES	**6,585.9**	**7,102.2**

III. CONSOLIDATED INCOME STATEMENT

Amounts in € mn	Q1'18	Q1'17	%
Total revenues	**921.3**	**929.0**	**-0.8%**
Other operating income	**11.9**	**12.2**	**-2.5%**
Operating expenses			
Interconnection and roaming costs	(132.1)	(142.7)	-7.4%
Provision for doubtful accounts	(29.4)	(24.3)	+21.0%
Personnel costs	(127.5)	(157.5)	-19.0%
Costs related to voluntary leave schemes	(0.3)	(2.5)	-88.0%
Commission costs	(26.5)	(33.6)	-21.1%
Merchandise costs	(86.3)	(69.3)	+24.5%
Maintenance and repairs	(28.1)	(26.6)	+5.6%
Marketing	(21.6)	(21.9)	-1.4%
Other operating expenses	(166.6)	(161.2)	+3.3%
Total operating expenses before depreciation, amortization and impairment	**(618.4)**	**(639.6)**	**-3.3%**
Operating profit before financial and investing activities, depreciation, amortization and impairment	**314.8**	**301.6**	**+4.4%**
Depreciation, amortization and impairment	(203.9)	(197.1)	+3.5%
Operating profit before financial and investing activities	**110.9**	**104.5**	**+6.1%**
Income and expense from financial and investing activities			
Interest and related expenses	(23.9)	(32.4)	-26.2%
Interest income	0.4	0.4	0.0%
Foreign exchange differences, net	(7.2)	2.9	-
Gains from investments and other financial assets - Impairment	(0.1)	-	-
Total loss from financial and investing activities	**(30.8)**	**(29.1)**	**5.8%**
Profit before tax	**80.1**	**75.4**	**+6.2%**
Income tax	(45.8)	(42.9)	+6.8%
Profit for the period	**34.3**	**32.5**	**+5.5%**
Attributable to:			
Owners of the parent	**39.0**	**36.4**	**+7.1%**
Non-controlling interests	(4.7)	(3.9)	+20.5%

IV. GROUP REVENUES

Amounts in € mn	Q1'18	Q1'17	%
Revenue			
Fixed business:			
Retail services revenues	290.7	298.0	-2.4%
Wholesale services revenues	158.9	171.9	-7.6%
Other revenues	69.3	70.8	-2.1%
Total revenues from fixed business	**518.9**	**540.7**	**-4.0%**
Mobile business:			
Service revenues	308.5	304.8	+1.2%
Handset revenues	61.5	50.1	+22.8%
Other revenues	6.7	3.6	+86.1%
Total revenues from mobile business	**376.7**	**358.5**	**+5.1%**
Miscellaneous other revenues	**25.7**	**29.8**	**-13.8%**
Total revenues	**921.3**	**929.0**	**-0.8%**

V. CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in € mn	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18
Cash flows from operating activities					
Profit before tax	75.4	59.6	89.4	(49.9)	80.1
Adjustments for:					
Depreciation, amortization and impairment	197.1	195.4	196.8	347.7	203.9
Costs related to voluntary leave schemes	2.5	8.2	27.1	14.0	0.3
Provision for staff retirement indemnities	2.7	2.8	2.7	1.6	(31.1)
Provision for youth account	0.7	0.7	0.7	-	0.7
Provision for doubtful accounts	24.3	22.5	26.9	32.6	29.4
Foreign exchange differences, net	(2.9)	13.1	(3.4)	5.4	7.2
Interest income	(0.4)	(0.4)	(0.3)	(0.5)	(0.4)
(Gains) / losses from investments and other financial assets - Impairment	-	-	-	(19.0)	0.1
Interest and related expenses	32.4	38.0	34.9	34.1	23.9
Working capital adjustments:	***(114.1)***	***(58.5)***	**(60.4)**	***43.0***	***(91.3)***
Decrease / (increase) in inventories	1.7	(7.5)	12.1	(4.5)	(15.9)
Decrease / (increase) in receivables	(12.2)	(63.4)	(48.2)	60.2	(55.5)
(Decrease) / increase in liabilities (except borrowings)	(103.6)	12.4	(24.3)	(12.7)	(19.9)
Plus /(Minus):					
Payment for voluntary leave schemes	(7.3)	(2.9)	(13.0)	(42.1)	(3.6)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(3.1)	(2.9)	(3.0)	(3.6)	(2.8)
Interest and related expenses paid	(33.6)	(3.7)	(58.9)	(35.9)	(32.1)
Income taxes paid	(11.3)	(2.2)	(104.9)	(93.5)	(13.1)
Net cash flows from operating activities	**162.4**	**269.7**	**134.6**	**233.9**	**171.2**
Cash flows from investing activities					
Sale or maturity of financial assets	0.2	-	-	-	-
Repayment of loans receivable	1.0	1.7	1.8	1.7	1.8
Purchase of property, plant and equipment and intangible assets	(200.5)	(223.0)	(176.2)	(320.2)	(183.1)
Movement in restricted cash	(0.1)	-	-	(0.7)	(0.3)
Interest received	0.4	0.3	0.5	0.4	0.4
Net cash flows used in investing activities	**(199.0)**	**(221.0)**	**(173.9)**	**(318.8)**	**(181.2)**
Cash flows from financing activities					
Share option plans	-	(0.3)	-	-	-
Proceeds from loans granted and issued	-	-	-	150.0	150.0
Repayment of loans	(64.8)	(22.6)	(92.8)	(62.5)	(678.0)
Dividends paid to Company's owners	-	(0.3)	(77.8)	-	-
Net cash flows from / (used in) financing activities	**(64.8)**	**(23.2)**	**(170.6)**	**87.5**	**(528.0)**
Net increase / (decrease) in cash & cash equivalents	**(101.4)**	**25.5**	**(209.9)**	**2.6**	**(538.0)**
Cash and cash equivalents, at the beginning of the period	1,585.6	1,483.8	1,508.5	1,297.0	1,297.7
Net foreign exchange differences	(0.4)	(0.8)	(1.6)	(1.9)	0.3
Cash and cash equivalents, at the end of the period	**1,483.8**	**1,508.5**	**1,297.0**	**1,297.7**	**760.0**

VI. PER SEGMENT INFORMATION – IFRS 15 IMPACT

REVENUES AND ADJUSTED EBITDA

				Excl. IFRS 15	
Amounts in € mn	**Q1 '18**	**Q1 '17**	**Change**	**Q1 '18**	**Change**
Fixed Line Operations, Greece					
Retail Fixed Services Revenues	225.2	224.0	+0.5%	226.3	+1.0%
Total Revenues	385.1	392.0	-1.8%	385.4	-1.7%
Adjusted EBITDA	187.1	168.0	+11.4%	187.4	+11.5%
Adjusted EBITDA margin %	*48.6%*	*42.9%*	*5.7 pp*	*48.6%*	*5.7 pp*
Mobile Operations, Greece					
Service Revenues	216.3	217.9	-0.7%	223.2	+2.4%
Total Revenues	279.0	273.5	+2.0%	281.1	+2.8%
Adjusted EBITDA	82.3	86.9	-5.3%	82.8	-4.7%
Adjusted EBITDA margin %	*29.5%*	*31.8%*	*-2.3 pp*	*29.5%*	*-2.3 pp*
Fixed Line Operations, Romania					
Retail Fixed Service Revenues	65.9	74.5	-11.5%	67.6	-9.3%
Total Revenues	136.7	143.4	-4.7%	135.5	-5.5%
Adjusted EBITDA	17.1	21.4	-20.1%	15.0	-29.9%
Adjusted EBITDA margin %	*12.5%*	*14.9%*	*-2.4 pp*	*11.1%*	*-3.8 pp*
Mobile Operations, Romania					
Service Revenues	73.1	71.0	+3.0%	74.4	+4.8%
Total Revenues	121.3	107.8	+12.5%	122.0	+13.2%
Adjusted EBITDA	16.0	15.7	+1.9%	15.9	+1.3%
Adjusted EBITDA margin %	*13.2%*	*14.6%*	*-1.4 pp*	*13.0%*	*-1.6 pp*
Mobile Operations, Albania					
Service Revenues	15.3	15.2	+0.7%	15.4	+1.3%
Total Revenues	15.8	15.7	+0.6%	15.8	+0.6%
Adjusted EBITDA	1.7	0.8	+112.5%	1.6	+100.0%
Adjusted EBITDA margin %	*10.8%*	*5.1%*	*5.7 pp*	*10.1%*	*5 pp*
All Other					
Total Revenues	109.1	121.2	-10.0%	109.1	-10.0%
Adjusted EBITDA	12.0	11.7	+2.6%	12.0	+2.6%
Adjusted EBITDA margin %	*11.0%*	*9.7%*	*1.3 pp*	*11.0%*	*1.3 pp*
Eliminations					
Total Revenues	(125.7)	(124.6)	+0.9%	(127.8)	+2.6%
Adjusted EBITDA	(1.1)	(0.4)	+175.0%	(1.1)	+175.0%
OTE GROUP					
Total Revenues	**921.3**	**929.0**	**-0.8%**	**921.1**	**-0.9%**
Adjusted EBITDA	**315.1**	**304.1**	**+3.6%**	**313.6**	**+3.1%**
Adjusted EBITDA margin %	***34.2%***	***32.7%***	***1.5 pp***	***34.0%***	***1.3 pp***