

OTE GROUP REPORTS 2018 THIRD QUARTER RESULTS

- Group Adjusted EBITDA up 4.7%, driven by another very solid performance in Greece
- Greece total Revenue up 1.9%, Adjusted EBITDA up 5.7%, fueled by:
 - Double-digit growth in fixed broadband; strong mobile data and visitor revenues
 - Disciplined cost control supported by digitalization and voluntary leave schemes
- Romania performance still facing challenging environment, turnaround initiatives underway
- Albania profitability continuing to recover
- Ongoing investment in new technologies to generate sustained growth; Capex on track
- Full-year Free Cash Flow guidance confirmed

(€ mn)	Q3 '18	Q3 '17	Change	9M '18	9M '17	Change
Revenues	991.5	991.2	0.0%	2,871.9	2,859.0	+0.5%
Adjusted EBITDA	365.2	348.7	+4.7%	999.3	966.7	+3.4%
<i>Adjusted EBITDA margin (%)</i>	<i>36.8%</i>	<i>35.2%</i>	<i>+1.6pp</i>	<i>34.8%</i>	<i>33.8%</i>	<i>+1pp</i>
Operating profit before financial and investing activities	172.4	120.6	+43.0%	377.0	335.4	+12.4%
Profit to owners of the parent	119.3	52.4	+127.7%	207.3	119.9	+72.9%
Adj. Profit to owners of the parent	107.5	76.5	+40.5%	203.7	155.6	+30.9%
Basic EPS (€)	0.2462	0.1072	+129.7%	0.4257	0.2453	+73.5%
Total Assets	6,790.7	7,164.2	-5.2%	6,790.7	7,164.2	-5.2%
Adjusted Capex	150.1	176.2	-14.8%	485.7	584.2	-16.9%
Adjusted Free Cash Flow	132.5	(28.1)	-	236.1	10.5	-
Cash & Other financial assets	1,017.9	1,302.5	-21.9%	1,017.9	1,302.5	-21.9%
Adjusted Net Debt	807.5	648.9	+24.4%	807.5	648.9	+24.4%

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

ATHENS, Greece – November 08, 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 September 30, 2018.

Commenting on OTE's 2018 third-quarter results, Michael Tsamaz, Chairman & CEO, noted: "We had another very good quarter in Greece, where both retail fixed and mobile services achieved solid revenue growth. In Greek fixed, we posted higher service revenues across the board, and notably in broadband, while mobile benefited from continued growth in data and a successful tourism season, boosting visitor revenues. The economic recovery gaining momentum in Greece is supportive. As a result, total revenues in our home country were up and EBITDA grew even higher, reflecting our ongoing initiatives to manage our cost base, and yielding a marked increase in margin. While we expect the positive momentum in fixed to continue, in mobile we anticipate more challenging comparisons in the coming quarters. In Romania, operating performance remained under pressure, across fixed as well as mobile services."

Mr. Tsamaz added: "Clearly, our customer experience is key in gaining and retaining the trust of our customers. But we owe our strong performance in Greece to the technological edge we have built over the years. In the current quarter, we are continuing to invest and we expect to finish the year near the level of Capex we have guided for. This will enable OTE to meet its cash flow and shareholder remuneration targets for the full year."

Outlook

OTE expects the positive trends of the first nine months of the year to continue in the fourth quarter, particularly in its domestic market. The recovering economic environment in Greece should provide a favorable background in fixed and mobile telecommunication services, with continuing growth expected in mobile data and broadband. However, a high base in the fourth quarter of last year is expected to make comparisons more demanding. The extended reach of advanced data networks, in both fixed and mobile, drives increased customer reliance on OTE services, supporting its revenue base. Encouraging operational progress is being made in Romania, in certain market segments; however, an assessment underway might lead to an increase in bad debt provisioning in coming quarters.

For the full year, management continues to expect adjusted Capex of approximately €700mn. Reflecting further cash generation improvements, OTE expects 2018 full-year reported FCF to reach approximately €260mn. This amount has already been paid out to shareholders pursuant to the shareholder remuneration policy announced earlier this year.

OTE GROUP HIGHLIGHTS

OTE Group's consolidated revenues totaled to €991.5mn in Q3'18, virtually unchanged compared to Q3'17, reflecting a €14.1mn increase in revenues in Greece, driven by strong mobile and fixed service revenues, and a €12.8mn decrease in Romania, impacted by weak fixed retail and wholesale revenues.

Total Operating Expenses, excluding depreciation, amortization, impairment and charges related to voluntary leave schemes, other restructuring costs and non-recurring litigations, amounted to €654.3mn in Q3'18, a 0.3% decrease compared to Q3'17. The decrease reflects disciplined cost management across the Group and the beneficial impact of recent voluntary leave schemes, resulting in a 2.3% decline in personnel costs, partly offset by an increase in bad debt provisions, chiefly arising from Romanian mobile operations.

In Q3'18, the Group's Adjusted EBITDA increased by 4.7% to €365.2m. In Greece, Adjusted EBITDA increased by 5.7%, yielding an Adjusted EBITDA margin of 42.5%. In Romania, Adjusted EBITDA dropped by 4.2%. In Albania, Adjusted EBITDA rose by 36.0%.

The Group reported Operating profit before financial and investing activities of €172.4mn, compared to €120.6mn in Q3'17. The increase in Operating profit reflects the improvement in Operating Expenses, gains from asset sales, lower cost of voluntary leave schemes in the quarter, and a decrease in depreciation and amortization.

The Group's Income Tax charge stood at €34.4mn in Q3'18, a drop of 18.7%, primarily reflecting a tax benefit from realized losses.

Adjusted Group profit after minority interests (excluding one-off items) increased by 40.5% to €107.5mn in Q3'18 compared to €76.5mn in Q3'17.

Adjusted Capital Expenditures amounted to €150.1mn in Q3'18, a 14.8% decline, or €26.1mn, with investments in Greece, Romania and Albania standing at €109.2mn, €38.7mn, and €2.2mn, respectively.

In Q3'18, the Group's adjusted Free Cash Flow was €132.5mn, a €160.6mn increase compared to Q3'17, reflecting improved Operating Cash Flow as well as lower Capex in the period.

The Group's adjusted Net Debt was €0.8bn at September 30, 2018, an increase of 24.4% compared to September 30, 2017. The Group's ratio of adjusted Net Debt to 12-month trailing adjusted EBITDA stood at 0.6x.

Per Country Figures (€ mn)

Quarterly - Revenues	Q3 '18	Q3 '17	Change	Excl. IFRS 15	
				Q3 '18	Change
Greece	754.4	740.3	+1.9%	753.9	+1.8%
Romania	226.7	239.5	-5.3%	225.9	-5.7%
Albania	17.7	18.0	-1.7%	17.7	-1.7%
Eliminations	(7.3)	(6.6)	+10.6%	(7.3)	+10.6%
OTE GROUP	991.5	991.2	0.0%	990.2	-0.1%

YTD - Revenues	9M '18	9M '17	Change	Excl. IFRS 15	
				9M '18	Change
Greece	2,151.2	2,123.2	+1.3%	2,149.8	+1.3%
Romania	691.0	705.7	-2.1%	689.2	-2.3%
Albania	50.7	50.9	-0.4%	50.7	-0.4%
Eliminations	(21.0)	(20.8)	+1.0%	(21.0)	+1.0%
OTE GROUP	2,871.9	2,859.0	+0.5%	2,868.7	+0.3%

Adjusted EBITDA	Q3 '18	Q3 '17	Change	Excl. IFRS 15	
				Q3 '18	Change
Greece	320.6	303.2	+5.7%	320.2	+5.6%
Margin (%)	42.5%	41.0%	+1.5pp	42.5%	+1.5pp
Romania	41.2	43.0	-4.2%	38.0	-11.6%
Margin (%)	18.2%	18.0%	+0.2pp	16.8%	-1.2pp
Albania	3.4	2.5	+36.0%	3.3	+32.0%
Margin (%)	19.2%	13.9%	+5.3pp	18.6%	+4.7pp
OTE GROUP	365.2	348.7	+4.7%	361.5	+3.7%
Adj. EBITDA margin (%)	36.8%	35.2%	+1.6pp	36.5%	+1.3pp

Adjusted EBITDA	9M '18	9M '17	Change	Excl. IFRS 15	
				9M '18	Change
Greece	880.0	842.0	+4.5%	879.7	+4.5%
Margin (%)	40.9%	39.7%	+1.2pp	40.9%	+1.2pp
Romania	111.6	119.3	-6.5%	104.2	-12.7%
Margin (%)	16.2%	16.9%	-0.7pp	15.1%	-1.8pp
Albania	7.7	5.4	+42.6%	7.5	+38.9%
Margin (%)	15.2%	10.6%	+4.6pp	14.8%	+4.2pp
OTE GROUP	999.3	966.7	+3.4%	991.4	+2.6%
Adj. EBITDA margin (%)	34.8%	33.8%	+1pp	34.6%	+0.8pp

GREECE

	Q3'18	Q3'17	y-o-y change	Q3'18 net adds
Fixed lines access	2,641,979	2,628,750	+0.5%	(4,331)
Broadband subscribers	1,857,388	1,716,188	+8.2%	24,510
<i>of which fiber service*</i>	482,653	311,107	+55.1%	33,854
TV subscribers	534,093	517,155	+3.3%	8,404
Mobile Subscribers	8,122,602	7,867,229	+3.2%	(38,718)

*Including VDSL, Vectoring & Super Vectoring

In Q3'18, the total Greek access market lost 7k lines, while OTE's fixed-line operations posted a net loss of 4k access lines.

OTE achieved another quarter of solid net additions in retail broadband customers, totaling 25k, to reach 1,857k. Penetration of OTE's high-speed fiber broadband service continued to make progress, with strong net additions of 34k in the quarter, supported by the expanding reach of the service and enabling OTE to steadily monetize its investments in infrastructure. At quarter end, OTE's fiber offer had been adopted by 483k subscribers reaching 26.0% of OTE's total retail broadband base. Demand for OTE's high-speed broadband service is continuing to grow at a rapid pace, fueling OTE's revenue growth. At September 30, OTE's total number of VDSL/Vectoring activated cabinets amounted to 13k, an increase of over 300 units in the quarter. Overall, the adoption of fiber services reached approximately 42% of eligible customers (OTE subscribers / households passed). During the quarter, OTE initiated the rollout of its FTTH network, which will accelerate in future quarters, within the Capex estimates previously communicated.

OTE also achieved a quarter of growth in its TV offering, with net additions totaling 8k. At September 30, 2018, the total number of COSMOTE TV subscribers amounted to 534k, a year-on-year increase of 3.3%.

Quarterly Figures (€ mn)	Q3 '18	Q3 '17	Change	Excl. IFRS 15	
				Q3 '18	Change
Revenues	754.4	740.3	+1.9%	753.9	+1.8%
Retail Fixed Services	232.7	226.9	+2.6%	233.8	+3.0%
Mobile Service Revenues	257.4	259.3	-0.7%	264.2	+1.9%
Wholesale Services	149.0	143.6	+3.8%	149.0	+3.8%
Other Revenues	115.3	110.5	+4.3%	106.9	-3.3%
Adjusted EBITDA	320.6	303.2	+5.7%	320.2	+5.6%
Adjusted EBITDA margin (%)	42.5%	41.0%	+1.5pp	42.5%	+1.5pp

YTD Figures (€ mn)	9M '18	9M '17	Change	Excl. IFRS 15	
				9M '18	Change
Revenues	2,151.2	2,123.2	+1.3%	2,149.8	+1.3%
Retail Fixed Services	684.6	675.0	+1.4%	687.3	+1.8%
Mobile Service Revenues	703.9	705.6	-0.2%	724.4	+2.7%
Wholesale Services	422.5	417.5	+1.2%	422.4	+1.2%
Other Revenues	340.2	325.1	+4.6%	315.7	-2.9%
Adjusted EBITDA	880.0	842.0	+4.5%	879.7	+4.5%
Adjusted EBITDA margin (%)	40.9%	39.7%	+1.2pp	40.9%	1.2pp

In Greece, total revenues increased by 1.9% to €754.4mn in Q3'18. The increase in revenues from retail fixed services was fueled by a double-digit rise in broadband. Following their rebound in Q2'18, wholesale revenues were up again in the third quarter.

Mobile Service revenues were down 0.7% in the third quarter, reflecting the adoption of IFRS 15; excluding

this factor, Mobile Service revenues were up by 1.9%. Mobile Service revenue growth was once again driven by the increase in data services in Q3'18, up 21%, while visitor revenues posted another quarter of sharp growth. The number of active users of the Company's mobile application passed the 2mn mark, an important milestone in terms of both customer relationship management and cost savings.

Total adjusted EBITDA in Greece was up in the quarter by 5.7%, at €320.6mn. At 42.5%, the adjusted EBITDA margin in Greece was up an impressive 150 basis points compared to the third quarter of 2017.

ROMANIA

	Q3'18	Q3'17	y-o-y change	Q3'18 net adds
Voice *	2,111,890	2,101,102	+0.5%	14,955
Broadband *	1,151,678	1,184,513	-2.8%	(9,727)
TV subscribers	1,453,526	1,473,490	-1.4%	(9,456)
<i>FMC customers</i>	<i>655,547</i>	<i>455,740</i>	<i>+43.8%</i>	<i>58,635</i>
Mobile Subscribers	4,643,224	4,769,734	-2.7%	(38,068)

*Includes FMC

Quarterly Figures (€ mn)	Q3 '18	Q3 '17	Change	Excl. IFRS 15	
				Q3 '18	Change
Revenues	226.7	239.5	-5.3%	225.9	-5.7%
Retail Fixed Services	60.0	71.4	-16.0%	61.0	-14.6%
Mobile Service Revenues	82.0	85.2	-3.8%	84.2	-1.2%
Wholesale Services	24.5	34.2	-28.4%	24.5	-28.4%
Other Revenues	60.2	48.7	+23.6%	56.2	+15.4%
Adjusted EBITDA	41.2	43.0	-4.2%	38.0	-11.6%
Adjusted EBITDA margin (%)	18.2%	18.0%	+0.2pp	16.8%	-1.2pp

YTD Figures (€ mn)	9M '18	9M '17	Change	Excl. IFRS 15	
				9M '18	Change
Revenues	691.0	705.7	-2.1%	689.2	-2.3%
Retail Fixed Services	188.4	218.6	-13.8%	192.9	-11.8%
Mobile Service Revenues	246.0	242.5	+1.4%	251.7	+3.8%
Wholesale Services	72.3	92.8	-22.1%	72.3	-22.1%
Other Revenues	184.3	151.8	+21.4%	172.3	+13.5%
Adjusted EBITDA	111.6	119.3	-6.5%	104.2	-12.7%
Adjusted EBITDA margin (%)	16.2%	16.9%	-0.7pp	15.1%	-1.8pp

Total revenues from Romania were down 5.3% to €226.7mn in Q3'18. Revenues from Retail Fixed services were down 16.0%, or 14.6% excluding the IFRS 15 impact. Fixed voice revenues were down 25.2%, while broadband and TV revenues declined by 13.6% and 7.8%, respectively, driven by ARPU & customer erosion on the copper-based infrastructure and satellite TV.

Mobile Service revenues decreased by 3.8% at €82.0mn in Q3'18 or by 1.2% excluding the IFRS 15 impact. Total Revenues from FMC services increased by 30.7%, as the number of FMC subscribers rose by 44% year-on-year, to 656k at the end of Q3'18.

Telekom Romania Mobile's customer base totaled 4.6mn at the end of Q3'18, down 2.7% from the year-earlier level due to elimination of inactive customers in the prepaid segment. Of the total customer base, 36% were postpaid. The total number of business customers increased by 8.8% compared to Q3'17, reflecting the appeal of the Company's offers.

Revenues from Wholesale Services were down on lower international transit. Conversely, Other Revenues were up sharply, mainly driven by system solutions and other mobile revenue.

Other Operating Income of €27.2mn chiefly reflects disposal of operating real estate assets.

Combined adjusted EBITDA in Romania decreased by 4.2% to €41.2mn in Q3'18, reflecting the decline in retail fixed services.

To reverse current trends, the Group's Romanian operations are focusing on raising utilization of its extensive FTTH footprint, both by expanding its own customer base and through wholesale agreements, on reducing dependency on its national 4G roaming agreement thanks to the successful rollout of its own 4G network reaching approximately 90% population coverage, and on rebalancing its fixed retail offering as well as continuing to grow its FMC customer base.

ALBANIA

	Q3'18	Q3'17	y-o-y change	Q3'18 net adds
Mobile Subscribers	1,701,021	1,887,726	-9.9%	(97,236)

Quarterly Figures (€ mn)	Q3 '18	Q3 '17	Change	Excl. IFRS 15	
				Q3 '18	Change
Revenues	17.7	18.0	-1.7%	17.7	-1.7%
Service Revenues	17.3	17.4	-0.6%	17.4	+0.0%
Adjusted EBITDA	3.4	2.5	+36.0%	3.3	+32.0%
Adjusted EBITDA margin (%)	19.2%	13.9%	+5.3pp	18.6%	+4.7pp

YTD Figures (€ mn)	9M '18	9M '17	Change	Excl. IFRS 15	
				9M '18	Change
Revenues	50.7	50.9	-0.4%	50.7	-0.4%
Service Revenues	49.2	49.1	+0.2%	49.4	+0.6%
Adjusted EBITDA	7.7	5.4	+42.6%	7.5	+38.9%
Adjusted EBITDA margin (%)	15.2%	10.6%	+4.6pp	14.8%	4.2pp

As of Q3'18, Telekom Albania's customer base totaled 1.7mn subscribers, down 9.9% compared to the same quarter last year, primarily reflecting clean-up of non-active customer base.

In Q3'18, Telekom Albania's Service revenues amounted to €17.3mn, stable compared to the prior-year period, as sharp increases in data and visitor revenues offset lower voice revenues.

Adjusted EBITDA rose 36.0% compared to Q3'17.

SIGNIFICANT EVENTS OF THE QUARTER

New €400.0mn Notes under the Global Medium-Term Note Program of OTE PLC

On July 18, 2018, OTE PLC issued €400.0mn Fixed Rate Notes under its Global Medium-Term Note Program, maturing on July 18, 2022 with an annual coupon of 2.375%. The Notes are guaranteed by OTE.

OTE's Credit Valuation

On July 27, 2018, Standard & Poor's Ratings Services raised its long-term corporate credit rating on OTE to 'BB+' from 'BB'

SUBSEQUENT EVENTS

Shareholder Remuneration Policy - Share Buyback Programs

With respect to the new shareholder remuneration policy and pursuant to the approval from the Extraordinary Shareholders General Meeting held on February 15, 2018, OTE launched its share buy-back program on April 4, 2018. Until November 6, 2018, OTE had acquired 8,681,246 own shares for a total consideration of € 91.5mn. The shares acquired will be cancelled, following approval from Shareholders General Meeting. As of November 6, 2018, OTE possessed 10,001,356 own shares for a total value of €105.8mn.

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 until November 30, 2018.

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:

Certain statements in this document constitute forward-looking statements. Such forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. OTE will not update such statements on a regular basis. As a result, you are cautioned not to place any reliance on such forward-looking statements. Nothing in this document should be construed as a profit forecast and no representation is made that any of these statement or forecasts will come to pass. Persons receiving this announcement should not place undue reliance on forward-looking statements and are advised to make their own independent analysis and determination with respect to the forecast periods, which reflect the Group's view only as of the date hereof.

Exhibits to follow:

- I. Alternative Performance Measures “APMs”
- II. Consolidated Statements of Financial Position as of September 30, 2018 and December 31, 2017
- III. Consolidated Income Statements for the quarter and nine months ended September 30, 2018 and comparative 2017
- IV. Group Revenues for the quarter and nine months ended September 30, 2018 and comparative 2017
- V. Consolidated Statement of Cash Flows for the quarter ended September 30, 2018 and comparative quarters
- VI. Per Segment Information for the quarter and nine months ended September 30, 2018 and comparative 2017 – IFRS 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.

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 "payment 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 is 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	30/09/2018	30/09/2017	Change
Long-term borrowings	1,627.3	1,171.1	+39.0%
Short-term portion of long-term borrowings	198.1	780.3	-74.6%
Short-term borrowings	-	-	-
Cash and cash equivalents	(1,012.5)	(1,297.0)	-21.9%
Net Debt	812.9	654.4	+24.2%

Other financial assets	(5.4)	(5.5)	-1.8%
Adjusted Net Debt	807.5	648.9	+24.4%

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, 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	Q3 '18	Q3 '17	Change	9M '18	9M '17	Change
Total Revenues	991.5	991.2	0.0%	2,871.9	2,859.0	+0.5%
Other Operating Income	28.0	13.8	+102.9%	55.5	35.0	+58.6%
Total operating expenses before depreciation, amortization and impairment	(660.5)	(687.6)	-3.9%	(1,973.7)	(1,969.3)	+0.2%
EBITDA	359.0	317.4	+13.1%	953.7	924.7	+3.1%
EBITDA margin %	36.2%	32.0%	+4.2pp	33.2%	32.3%	+0.9pp
Costs related to voluntary leave schemes	6.2	27.1	-77.1%	43.6	37.8	+15.3%
Other restructuring and non-recurring litigations	-	4.2	-100.0%	2.0	4.2	-52.4%
Adjusted EBITDA	365.2	348.7	+4.7%	999.3	966.7	+3.4%
Adjusted EBITDA margin %	36.8%	35.2%	+1.6pp	34.8%	33.8%	+1pp

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, non-recurring litigation expenses and tax effect from deductible investment losses, as illustrated in the table below.

Amounts in € mn – After Tax impact	Q3 '18	Q3 '17	Change	9M '18	9M '17	Change
Profit to owners of the parent (reported)	119.3	52.4	+127.7%	207.3	119.9	+72.9%
Costs related to voluntary leave schemes	4.1	19.9	-79.4%	30.7	28.7	+7.0%
Other restructuring & non-recurring litigations	-	4.2	-100.0%	2.0	7.0	-71.4%
Net Impact from Impairments & Write offs	-	-	-	11.4	-	-
Tax effect from deductible investment losses	(15.9)	-	-	(47.7)	-	-
Adjusted Profit to owners of the parent	107.5	76.5	+40.5%	203.7	155.6	+30.9%

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	Q3 '18	Q3 '17	Change	9M '18	9M '17	Change
Purchase of property plant and equipment and intangible assets (reported) - CAPEX	(150.1)	(176.2)	-14.8%	(502.2)	(599.7)	-16.3%
Spectrum Payments	-	-	-	16.5	15.5	+6.5%
Adjusted CAPEX	(150.1)	(176.2)	-14.8%	(485.7)	(584.2)	-16.9%

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	Q3 '18	Q3 '17	Change	9M '18	9M '17	Change
Net cash flows from operating activities (reported)	235.7	134.6	+75.1%	661.3	566.7	+16.7%
Payment for voluntary leave schemes	46.1	13.0	-	54.3	23.2	+134.1%
Payment for restructuring and non-recurring litigations	-	-	-	4.5	3.6	+25.0%
Interest received	0.8	0.5	+60.0%	1.7	1.2	+41.7%
Adjusted Net Operating Cash Flow	282.6	148.1	+90.8%	721.8	594.7	+21.4%

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	Q3 '18	Q3 '17	Change	9M '18	9M '17	Change
Net cash flows from operating activities	235.7	134.6	75.1%	661.3	566.7	+16.7%
Interest received	0.8	0.5	+60.0%	1.7	1.2	+41.7%
Purchase of property, plant, equipment & intangible assets	(150.1)	(176.2)	-14.8%	(502.2)	(599.7)	-16.3%
Free Cash Flow	86.4	(41.1)	-	160.8	(31.8)	-

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	Q3 '18	Q3 '17	Change	9M '18	9M '17	Change
Free Cash Flow	86.4	(41.1)	-	160.8	(31.8)	-
Payment for voluntary leave schemes	46.1	13.0	-	54.3	23.2	+134.1%
Payment for restructuring and non-recurring litigations	-	-	-	4.5	3.6	+25.0%
Spectrum payments	-	-	-	16.5	15.5	+6.5%

Adjusted FCF	132.5	(28.1)	-	236.1	10.5	-
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II. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in € mn	GROUP	
	30/09/2018	31/12/2017
ASSETS		
Non - current assets		
Property, plant and equipment	2,709.2	2,740.9
Goodwill	447.0	447.1
Telecommunication licenses	490.7	523.6
Other intangible assets	441.3	504.2
Investments	0.1	0.1
Loans to pension funds	80.1	82.5
Deferred tax assets	292.1	313.5
Contract costs	45.9	-
Other non-current assets	120.1	112.1
Total non - current assets	4,626.5	4,724.0
Current assets		
Inventories	103.0	91.3
Trade receivables	743.5	719.7
Other financial assets	5.4	5.9
Contract assets	34.7	-
Other current assets	260.7	259.3
Restricted Cash	4.4	4.3
Cash and cash equivalents	1,012.5	1,297.7
Total current assets	2,164.2	2,378.2
TOTAL ASSETS	6,790.7	7,102.2
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	1,387.1	1,387.1
Share premium	496.6	496.4
Treasury shares	(78.3)	(14.5)
Statutory reserve	373.5	373.5
Foreign exchange and other reserves	(133.4)	(157.1)
Changes in non-controlling interests	(3,314.1)	(3,314.1)
Retained earnings	3,653.6	3,573.1
Total equity attributable to owners of the parent	2,385.0	2,344.4
Non-controlling interests	240.8	245.0
Total equity	2,625.8	2,589.4
Non-current liabilities		
Long-term borrowings	1,627.3	1,276.2
Provision for staff retirement indemnities	188.9	224.3
Provision for youth account	123.4	129.9
Contract liabilities	56.1	-
Deferred tax liabilities	28.5	30.6
Other non - current liabilities	86.8	130.8
Total non - current liabilities	2,111.0	1,791.8
Current liabilities		
Trade accounts payable	1,084.9	1,162.4
Short-term portion of long-term borrowings	198.1	764.5
Income tax payable	48.9	41.6
Contract liabilities	126.0	-
Deferred revenue	-	128.3

Provision for voluntary leave schemes	140.4	139.3
Dividends payable	0.9	0.4
Other current liabilities	454.7	484.5
Total current liabilities	2,053.9	2,721.0
TOTAL EQUITY AND LIABILITIES	6,790.7	7,102.2

III. CONSOLIDATED INCOME STATEMENT

Amounts in € mn	Q3'18	Q3'17	%	9M'18	9M'17	%
Total revenues	991.5	991.2	+0.0%	2,871.9	2,859.0	+0.5%
Other operating income	28.0	13.8	+102.9%	55.5	35.0	+58.6%
Operating expenses						
Interconnection and roaming costs	(154.1)	(161.3)	-4.5%	(423.0)	(442.0)	-4.3%
Provision for doubtful accounts	(31.4)	(26.9)	+16.7%	(93.0)	(73.7)	+26.2%
Personnel costs	(147.4)	(150.8)	-2.3%	(435.2)	(469.3)	-7.3%
Costs related to voluntary leave schemes	(6.2)	(27.1)	-77.1%	(43.6)	(37.8)	+15.3%
Commission costs	(24.4)	(31.1)	-21.5%	(73.0)	(100.0)	-27.0%
Merchandise costs	(79.2)	(70.5)	+12.3%	(252.4)	(201.8)	+25.1%
Maintenance and repairs	(26.5)	(25.6)	+3.5%	(81.1)	(78.4)	+3.4%
Marketing	(21.8)	(23.5)	-7.2%	(68.8)	(69.3)	-0.7%
Other operating expenses	(169.5)	(170.8)	-0.8%	(503.6)	(497.0)	+1.3%
Total operating expenses before depreciation, amortization and impairment	(660.5)	(687.6)	-3.9%	(1,973.7)	(1,969.3)	+0.2%
Operating profit before financial and investing activities, depreciation, amortization and impairment	359.0	317.4	+13.1%	953.7	924.7	+3.1%
Depreciation, amortization and impairment	(186.6)	(196.8)	-5.2%	(576.7)	(589.3)	-2.1%
Operating profit before financial and investing activities	172.4	120.6	+43.0%	377.0	335.4	+12.4%
Income and expense from financial and investing activities						
Interest and related expenses	(20.1)	(34.9)	-42.4%	(63.4)	(105.3)	-39.8%
Interest income	0.8	0.3	+166.7%	1.7	1.1	+54.5%
Foreign exchange differences, net	1.8	3.4	-47.1%	(22.3)	(6.8)	+227.9%
Gains / (losses) from investments and other financial assets - Impairment	(0.1)	-	-	(0.2)	-	-
Total loss from financial and investing activities	(17.6)	(31.2)	-43.6%	(84.2)	(111.0)	-24.1%
Profit before tax	154.8	89.4	+73.2%	292.8	224.4	+30.5%
Income tax	(34.4)	(42.3)	-18.7%	(96.0)	(125.0)	-23.2%
Profit for the period	120.4	47.1	+155.6%	196.8	99.4	+98.0%
Attributable to:						
Owners of the parent	119.3	52.4	+127.7%	207.3	119.9	+72.9%
Non-controlling interests	1.1	(5.3)	-120.8%	(10.5)	(20.5)	-48.8%

IV. GROUP REVENUES

Amounts in € mn	Q3'18	Q3'17	%	9M'18	9M'17	%
Revenue						
Fixed business:						
Retail services revenues	292.7	298.3	-1.9%	873.0	893.6	-2.3%
Wholesale services revenues	172.9	177.2	-2.4%	492.9	508.3	-3.0%
Other revenues	70.8	69.6	+1.7%	215.5	212.7	+1.3%
Total revenues from fixed business	536.4	545.1	-1.6%	1,581.4	1,614.6	-2.1%
Mobile business:						
Service revenues	354.8	360.8	-1.7%	994.6	992.2	+0.2%
Handset revenues	65.7	55.5	+18.4%	188.9	153.2	+23.3%
Other revenues	4.6	3.5	+31.4%	21.6	11.9	+81.5%
Total revenues from mobile business	425.1	419.8	+1.3%	1,205.1	1,157.3	+4.1%
Miscellaneous other revenues	30.0	26.3	+14.1%	85.4	87.1	-2.0%
Total revenues	991.5	991.2	0.0%	2,871.9	2,859.0	+0.5%

V. CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in € mn	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18
Cash flows from operating activities					
Profit before tax	89.4	(49.9)	80.1	57.9	154.8
Adjustments for:					
Depreciation, amortization and impairment	196.8	347.7	203.9	186.2	186.6
Costs related to voluntary leave schemes	27.1	14.0	0.3	37.1	6.2
Provision for staff retirement indemnities	2.7	1.6	(31.1)	1.6	1.5
Provision for youth account	0.7	-	0.7	0.6	0.7
Foreign exchange differences, net	(3.4)	5.4	7.2	16.9	(1.8)
Interest income	(0.3)	(0.5)	(0.4)	(0.5)	(0.8)
(Gains) / losses from investments and other financial assets - Impairment	-	(19.0)	0.1	-	0.1
Interest and related expenses	34.9	34.1	23.9	19.4	20.1
Working capital adjustments:	(33.5)	75.6	(61.9)	(54.7)	24.4
Decrease / (increase) in inventories	12.1	(4.5)	(15.9)	6.7	(2.4)
Decrease / (increase) in receivables	(21.3)	92.8	(26.1)	(22.6)	(8.8)
(Decrease) / increase in liabilities (except borrowings)	(24.3)	(12.7)	(19.9)	(38.8)	35.6
Plus / (Minus):					
Payment for voluntary leave schemes	(13.0)	(42.1)	(3.6)	(4.6)	(46.1)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(3.0)	(3.6)	(2.8)	(3.0)	(3.0)
Interest and related expenses paid	(58.9)	(35.9)	(32.1)	(2.4)	(36.4)
Income taxes paid	(104.9)	(93.5)	(13.1)	(0.1)	(70.6)
Net cash flows from operating activities	134.6	233.9	171.2	254.4	235.7
Cash flows from investing activities					
Sale or maturity of financial assets	-	-	-	-	0.3
Repayment of loans receivable	1.8	1.7	1.8	1.8	1.8
Purchase of property, plant and equipment and intangible assets	(176.2)	(320.2)	(183.1)	(169.0)	(150.1)
Movement in restricted cash	-	(0.7)	(0.3)	(0.1)	0.3
Interest received	0.5	0.4	0.4	0.5	0.8
Net cash flows used in investing activities	(173.9)	(318.8)	(181.2)	(166.8)	(146.9)
Cash flows from financing activities					
Acquisition of treasury shares	-	-	-	(29.8)	(33.2)
Other payments for subsidiary's share capital increase	-	-	-	-	(0.9)
Proceeds from loans granted and issued	-	150.0	150.0	-	404.6
Repayment of loans	(92.8)	(62.5)	(678.0)	-	(92.5)
Dividends paid to Company's owners	(77.8)	-	-	(0.1)	(171.0)
Net cash flows from / (used in) financing activities	(170.6)	87.5	(528.0)	(29.9)	107.0
Net increase / (decrease) in cash & cash equivalents	(209.9)	2.6	(538.0)	57.7	195.8
Cash and cash equivalents, at the beginning of the period	1,508.5	1,297.0	1,297.7	760.0	817.1
Net foreign exchange differences	(1.6)	(1.9)	0.3	(0.6)	(0.4)
Cash and cash equivalents, at the end of the period	1,297.0	1,297.7	760.0	817.1	1,012.5

VI. PER SEGMENT INFORMATION – IFRS 15 IMPACT

QUARTERLY - REVENUES AND ADJUSTED EBITDA

				<i>Excl. IFRS 15</i>	
Amounts in € mn	Q3 '18	Q3 '17	Change	Q3 '18	Change
Fixed Line Operations, Greece					
Retail Fixed Services Revenues	232.9	227.3	+2.5%	234.0	+2.9%
Total Revenues	396.0	391.5	+1.1%	396.1	+1.2%
Adjusted EBITDA	167.0	166.0	+0.6%	167.0	+0.6%
<i>Adjusted EBITDA margin %</i>	<i>42.2%</i>	<i>42.4%</i>	<i>-0.2 pp</i>	<i>42.2%</i>	<i>-0.2 pp</i>
Mobile Operations, Greece					
Service Revenues	262.5	263.6	-0.4%	269.3	+2.2%
Total Revenues	331.5	322.8	+2.7%	333.1	+3.2%
Adjusted EBITDA	139.0	122.8	+13.2%	138.6	+12.9%
Adjusted EBITDA margin %	41.9%	38.0%	+3.9 pp	41.6%	+3.6 pp
Fixed Line Operations, Romania					
Retail Fixed Service Revenues	60.1	71.6	-16.1%	61.1	-14.7%
Total Revenues	139.4	152.4	-8.5%	139.0	-8.8%
Adjusted EBITDA	30.0	29.0	+3.4%	26.2	-9.7%
Adjusted EBITDA margin %	21.5%	19.0%	+2.5 pp	18.8%	-0.2 pp
Mobile Operations, Romania					
Service Revenues	72.7	77.0	-5.6%	74.3	-3.5%
Total Revenues	117.9	111.1	+6.1%	117.5	+5.8%
Adjusted EBITDA	11.2	14.0	-20.0%	11.8	-15.7%
<i>Adjusted EBITDA margin %</i>	<i>9.5%</i>	<i>12.6%</i>	<i>-3.1 pp</i>	<i>10.0%</i>	<i>-2.6 pp</i>
Mobile Operations, Albania					
Service Revenues	17.3	17.4	-0.6%	17.4	0.0%
Total Revenues	17.7	18.0	-1.7%	17.7	-1.7%
Adjusted EBITDA	3.4	2.5	+36.0%	3.3	+32.0%
<i>Adjusted EBITDA margin %</i>	<i>19.2%</i>	<i>13.9%</i>	<i>+5.3 pp</i>	<i>18.6%</i>	<i>+4.7 pp</i>
All Other					
Total Revenues	130.3	125.3	+4.0%	130.3	+4.0%
Adjusted EBITDA	14.6	15.0	-2.7%	14.6	-2.7%
<i>Adjusted EBITDA margin %</i>	<i>11.2%</i>	<i>12.0%</i>	<i>-0.8 pp</i>	<i>11.2%</i>	<i>-0.8 pp</i>
Eliminations					
Total Revenues	(141.3)	(129.9)	+8.8%	(143.5)	+10.5%
Adjusted EBITDA	0.0	(0.6)	-	-	-
OTE GROUP					
Total Revenues	991.5	991.2	+0.0%	990.2	-0.1%
Adjusted EBITDA	365.2	348.7	+4.7%	361.5	+3.7%
<i>Adjusted EBITDA margin %</i>	<i>36.8%</i>	<i>35.2%</i>	<i>+1.6 pp</i>	<i>36.5%</i>	<i>+1.3 pp</i>

YTD - REVENUES AND ADJUSTED EBITDA

				<i>Excl. IFRS 15</i>	
Amounts in € mn	9M '18	9M '17	Change	9M '18	Change
Fixed Line Operations, Greece					
Retail Fixed Services Revenues	685.5	676.1	+1.4%	688.2	+1.8%
Total Revenues	1,171.7	1,174.3	-0.2%	1,171.9	-0.2%
Adjusted EBITDA	518.3	497.1	+4.3%	518.5	+4.3%
<i>Adjusted EBITDA margin %</i>	<i>44.2%</i>	<i>42.3%</i>	<i>+1.9 pp</i>	<i>44.2%</i>	<i>+1.9 pp</i>
Mobile Operations, Greece					
Service Revenues	717.0	717.4	-0.1%	737.5	+2.8%
Total Revenues	914.5	889.0	+2.9%	919.4	+3.4%
Adjusted EBITDA	322.8	309.6	+4.3%	322.6	+4.2%
<i>Adjusted EBITDA margin %</i>	<i>35.3%</i>	<i>34.8%</i>	<i>+0.5 pp</i>	<i>35.1%</i>	<i>+0.3 pp</i>
Fixed Line Operations, Romania					
Retail Fixed Service Revenues	188.7	219.0	-13.8%	193.2	-11.8%
Total Revenues	420.1	447.4	-6.1%	418.2	-6.5%
Adjusted EBITDA	57.2	75.8	-24.5%	50.1	-33.9%
<i>Adjusted EBITDA margin %</i>	<i>13.6%</i>	<i>16.9%</i>	<i>-3.3 pp</i>	<i>12.0%</i>	<i>-4.9 pp</i>
Mobile Operations, Romania					
Service Revenues	219.6	220.2	-0.3%	223.6	+1.5%
Total Revenues	363.7	325.4	+11.8%	363.8	+11.8%
Adjusted EBITDA	54.4	43.5	+25.1%	54.1	+24.4%
<i>Adjusted EBITDA margin %</i>	<i>15.0%</i>	<i>13.4%</i>	<i>+1.6 pp</i>	<i>14.9%</i>	<i>+1.5 pp</i>
Mobile Operations, Albania					
Service Revenues	49.2	49.1	+0.2%	49.4	+0.6%
Total Revenues	50.7	50.9	-0.4%	50.7	-0.4%
Adjusted EBITDA	7.7	5.4	+42.6%	7.5	+38.9%
<i>Adjusted EBITDA margin %</i>	<i>15.2%</i>	<i>10.6%</i>	<i>+4.6 pp</i>	<i>14.8%</i>	<i>+4.2 pp</i>
All Other					
Total Revenues	348.7	351.7	-0.9%	348.7	-0.9%
Adjusted EBITDA	39.7	37.1	+7.0%	39.7	+7.0%
<i>Adjusted EBITDA margin %</i>	<i>11.4%</i>	<i>10.5%</i>	<i>+0.9 pp</i>	<i>11.4%</i>	<i>+0.9 pp</i>
Eliminations					
Total Revenues	(397.5)	(379.7)	+4.7%	(404.0)	+6.4%
Adjusted EBITDA	(0.8)	(1.8)	-55.6%	(1.1)	-38.9%
OTE GROUP					
Total Revenues	2,871.9	2,859.0	+0.5%	2,868.7	+0.3%
Adjusted EBITDA	999.3	966.7	+3.4%	991.4	+2.6%
<i>Adjusted EBITDA margin %</i>	<i>34.8%</i>	<i>33.8%</i>	<i>+1 pp</i>	<i>34.6%</i>	<i>+0.8 pp</i>