

OTE GROUP REPORTS 2018 FOURTH QUARTER RESULTS

- Group delivers on full-year Free Cash Flow guidance
- Greece extends solid performance, leveraging network investments and superior customer experience
 - Total revenue up 1.9% on broadband and mobile data
 - Adj. EBITDA up 2.6% in fourth quarter and 4.0% in full year
- Romania performance influenced by one-offs
- Focused investment in strategic revenue-generating areas
- Disposal of Albania mobile business agreed in early 2019, closing expected in coming months
- 2019 reported FCF expected up 31% vs. 2018
- Proposed Dividend: €0.46 per share; €129mn share buyback program in 2019

(€ mn)	Q4 '18	Q4 '17	Change	12M	12M '17	Change
Revenues	973.0	983.5	-1.1%	3,798.7	3,796.9	+0.0%
Adjusted EBITDA	325.2	333.8	-2.6%	1,316.8	1,295.1	+1.7%
<i>Adjusted EBITDA margin (%)</i>	<i>33.4%</i>	<i>33.9%</i>	<i>-0.5pp</i>	<i>34.7%</i>	<i>34.1%</i>	<i>+0.6pp</i>
Operating profit before financial and investing activities	114.4	52.6	+117.5%	495.2	396.7	+24.8%
Profit to owners of the parent	23.0	38.3	-39.9%	256.5	169.3	+51.5%
Adj. Profit to owners of the parent	53.1	41.4	+28.3%	281.0	208.4	+34.8%
Basic EPS (€)	0.0479	0.0784	-38.9%	0.5285	0.3464	+52.6%
Total Assets	6,699.9	7,102.2	-5.7%	6,699.9	7,102.2	-5.7%
Adjusted Capex	226.1	209.2	+8.1%	706.4	781.8	-9.6%
Adjusted Free Cash Flow	111.0	95.6	+16.1%	344.7	92.2	+273.9%
Cash & Other financial assets	1,089.8	1,303.6	-16.4%	1,089.8	1,303.6	-16.4%
Adjusted Net Debt	738.8	737.1	+0.2%	738.8	737.1	+0.2%

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.

Note: All figures (apart from 2017 Balance Sheet items) adjusted to reflect only continuing operations — Albanian operations treated as discontinued operations.

ATHENS, Greece – February 21, 2019 - Hellenic Telecommunications Organization SA

(ASE: HTO; OTC MARKET: HLTOY), the Greek full-service telecommunications provider, announced today audited consolidated results (prepared under IFRS) for the quarter ended December 31, 2018.

Commenting on OTE's 2018 fourth-quarter and full-year performances, Michael Tsamaz, Chairman & CEO, noted: "I am pleased with our achievements in 2018—we kept our revenues stable and bolstered our profitability; we invested heavily in our future and in the services our customers want, and at the same time we strengthened our cash flow generation to keep our promises to the market. In Greece, our full-year revenues were up 1.5% and EBITDA rose 4.0%, thanks to strong performances across all major operating metrics—broadband and fiber additions, TV subscribers, mobile data traffic and users, or mobile app penetration—as well as continuous vigilance on cost management. The results in Romania reflect measures taken to address past issues and get the company back to a stable performance."

Mr. Tsamaz added: "Last month, we announced the upcoming disposal of our Albanian operation, the net proceeds of which will be distributed to our shareholders. We are investing in new growth opportunities in Greece, which will bolster our full-year performance. And we expect a solid improvement in Free Cash Flow in the current year. On that basis, and in accordance with our policy, OTE will once again be in a strong position to reward its shareholders in 2019."

Outlook

In Greece, where a gradual economic recovery should continue, OTE expects to further benefit from its investments in advanced data networks in both fixed and mobile, as well as from the customer-centric strategy that has supported its revenue growth in the past years. Revenues in Romania are expected to stabilize following the one-off provisions and restructuring plans. The Group systematically explores cost-reduction initiatives to support profitability across its businesses.

OTE's adjusted Capex, which was down nearly 10% in 2018, should be further reduced in the current year as it gradually returns to normalized levels. In 2019, management expects adjusted Capex of approximately €650mn. Primarily reflecting lower Capex and further profitability improvements, OTE expects 2019 full-year adjusted FCF of approximately €450mn, while reported FCF should reach approximately €350mn, significantly increasing OTE's remuneration to shareholders, pursuant to its stated policy.

OTE GROUP HIGHLIGHTS

The OTE Group's consolidated revenues totaled €973.0mn in Q4'18, including €24.1mn lower revenues in Romania, which offset a solid top-line performance in Greece, up €13.7mn.

Total Operating Expenses, excluding depreciation, amortization, impairment and charges related to restructuring costs (primarily voluntary leave schemes), amounted to €675.4mn in Q4'18, a 1.4% increase compared to Q4'17. The increase primarily reflects higher bad debt provisions chiefly from Romanian operations. Conversely, personnel costs were down 12% compared to Q4 last year, reflecting the positive impact of recent voluntary leave schemes and ongoing efforts to reduce operating expenses.

In Q4'18, the Group's Adjusted EBITDA decreased by 2.6% to €325.2m. In Greece, Adjusted EBITDA increased by 2.6%, yielding an Adjusted EBITDA margin of 40.8%, up 30bps.

The Group reported Operating profit before financial and investing activities of €114.4mn, compared to €52.6mn in Q4'17. The increase in Operating Profit reflects a sharp drop in Depreciation and Amortization compared to Q4'17, which included significant impairments related to the Group's international operations.

The Group's Income Tax charge stood at €69.9mn in Q4'18, up from € 21.6mn in Q4'17, primarily reflecting the impact of the decreasing income tax rate in Greece on the deferred tax assets of the Group.

Adjusted Group profit after minority interests (excluding one-off items) increased by 28.3% to €53.1mn in Q4'18 compared to €41.4mn in Q4'17.

Adjusted Capital Expenditures amounted to €226.1mn in Q4'18, up 8.1%, with investments in Greece and Romania standing at €175.7mn and €50.4mn, respectively.

In Q4'18, the Group's adjusted Free Cash Flow was €111.0mn, a €15.4mn increase compared to Q4'17, reflecting higher Operating Cash Flow.

The Group's adjusted Net Debt was €0.7bn at December 31, 2018, nearly unchanged compared to December 31, 2017. The Group's ratio of adjusted Net Debt to 12-month adjusted EBITDA stood at 0.6x.

Quarterly - Revenues	Q4 '18	Q4 '17	Change	Excl. IFRS 15	
				Q4 '18	Change
Greece	736.4	722.7	+1.9%	733.1	+1.4%
Romania	242.2	266.3	-9.0%	243.0	-8.7%
Eliminations	(5.6)	(5.5)	+1.8%	(5.6)	+1.8%
OTE GROUP	973.0	983.5	-1.1%	970.5	-1.3%

YTD - Revenues	12M '18	12M '17	Change	Excl. IFRS 15	
				12M '18	Change
Greece	2,887.6	2,845.9	+1.5%	2,882.9	+1.3%
Romania	933.2	972.0	-4.0%	932.2	-4.1%
Eliminations	(22.1)	(21.0)	+5.2%	(22.1)	+5.2%
OTE GROUP	3,798.7	3,796.9	+0.0%	3,793.0	-0.1%

Adjusted EBITDA	Q4 '18	Q4 '17	Change	Excl. IFRS 15	
				Q4 '18	Change
Greece	300.5	293.0	+2.6%	296.6	+1.2%
Margin (%)	40.8%	40.5%	+0.3pp	40.5%	0 pp
Romania	24.7	40.8	-39.5%	21.9	-46.3%
Margin (%)	10.2%	15.3%	-5.1pp	9.0%	-6.3pp
OTE GROUP	325.2	333.8	-2.6%	318.5	-4.6%
Adj. EBITDA margin (%)	33.4%	33.9%	-0.5pp	32.8%	-1.1pp

Adjusted EBITDA	12M '18	12M '17	Change	Excl. IFRS 15	
				12M '18	Change
Greece	1,180.5	1,135.0	+4.0%	1,176.3	+3.6%
Margin (%)	40.9%	39.9%	+1.0pp	40.8%	+0.9pp
Romania	136.3	160.1	-14.9%	126.1	-21.2%
Margin (%)	14.6%	16.5%	-1.9pp	13.5%	-3.0pp
OTE GROUP	1,316.8	1,295.1	+1.7%	1,302.4	+0.6%
Adj. EBITDA margin (%)	34.7%	34.1%	+0.6pp	34.3%	+0.2pp

GREECE

	Q4'18	Q4'17	y-o-y change	Q4'18 net adds
Fixed lines access	2,650,995	2,639,132	+0.4%	9,016
Broadband subscribers	1,896,336	1,759,752	+7.8%	38,948
<i>of which fiber service*</i>	531,334	354,257	+50.0%	48,681
TV subscribers	541,907	524,770	+3.3%	7,814
Mobile Subscribers	7,905,021	7,981,236	-1.0%	(217,581)

*Including VDSL, Vectoring & Super Vectoring

In Q4'18, the total Greek access market added 20k lines, while OTE's fixed-line operations achieved positive net additions of 9k access lines.

OTE posted another quarter of strong net additions (+39k) in retail broadband customers, for a total of 1,896k. Penetration of OTE's high-speed fiber broadband service continued to make progress, with strong net additions of 49k 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 531k subscribers reaching 28.0% 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 December 31, OTE's total number of VDSL/Vectoring activated cabinets amounted to approximately 14k, an increase of over 800 units in the quarter and 2.3k units in the full year. As of 2018 year end, 52% of OTE retail high speed broadband customers enjoyed speeds of 50 Mbps or more, as compared to 30% one year earlier.

OTE also achieved a quarter of growth in its TV offering, with net additions totaling 8k subscribers. At December 31, 2018, the total number of COSMOTE TV subscribers was 542k, up 3.3% year-on-year. OTE continues to invest in rich TV content, and recently extended its exclusive contract with the English Premier League for another three years.

Quarterly Figures (€ mn)	Q4 '18	Q4 '17	Change	Excl. IFRS 15	
				Q4 '18	Change
Revenues	736.4	722.7	+1.9%	733.1	+1.4%
Retail Fixed Services	230.9	228.2	+1.2%	231.8	+1.6%
Mobile Service Revenues	222.4	236.1	-5.8%	229.3	-2.9%
Wholesale Services	131.1	127.0	+3.2%	131.1	+3.2%
Other Revenues	152.0	131.4	+15.7%	140.9	+7.2%
Adjusted EBITDA	300.5	293.0	+2.6%	296.6	+1.2%
Adjusted EBITDA margin (%)	40.8%	40.5%	+0.3pp	40.5%	0pp

YTD Figures (€ mn)	12M '18	12M '17	Change	Excl. IFRS 15	
				12M '18	Change
Revenues	2,887.6	2,845.9	+1.5%	2,882.9	+1.3%
Retail Fixed Services	915.5	903.2	+1.4%	919.1	+1.8%
Mobile Service Revenues	926.3	941.7	-1.6%	953.7	+1.3%
Wholesale Services	553.6	544.5	+1.7%	553.5	+1.7%
Other Revenues	492.2	456.5	+7.8%	456.6	0.0%
Adjusted EBITDA	1,180.5	1,135.0	+4.0%	1,176.3	+3.6%
Adjusted EBITDA margin (%)	40.9%	39.9%	+1.0pp	40.8%	+0.9pp

In Greece, total revenues increased by 1.9% to €736.4mn in Q4'18. 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 fourth quarter.

Mobile Service revenues were down 5.8% in the fourth quarter, largely reflecting the adoption of IFRS 15; excluding this factor, Mobile Service revenues were down 2.9%. The drop is principally attributable to a timing difference in the recognition of visitor revenues compared to the same quarter last year, while revenues from data services were up 18%.

Total adjusted EBITDA in Greece was up 2.6% in the quarter at €300.5mn. At 40.8%, the adjusted EBITDA margin in Greece was up 30 basis points compared to the fourth quarter of 2017.

ROMANIA

	Q4'18	Q4'17	y-o-y change	Q4'18 net adds
Voice *	2,141,526	2,098,052	+2.1%	29,636
Broadband *	1,143,303	1,180,192	-3.1%	(8,375)
TV subscribers	1,443,032	1,470,341	-1.9%	(10,494)
<i>FMC customers</i>	<i>726,232</i>	<i>504,046</i>	<i>+44.1%</i>	<i>70,685</i>
Mobile Subscribers	4,630,606	4,748,905	-2.5%	(12,618)

*Includes FMC

Quarterly Figures (€ mn)	Q4 '18	Q4 '17	Change	Excl. IFRS 15	
				Q4 '18	Change
Revenues	242.2	266.3	-9.0%	243.0	-8.7%
Retail Fixed Services	58.5	69.4	-15.7%	59.7	-14.0%
Mobile Service Revenues	75.6	92.3	-18.1%	78.1	-15.4%
Wholesale Services	39.5	27.9	+41.6%	39.5	+41.6%
Other Revenues	68.6	76.7	-10.6%	65.7	-14.3%
Adjusted EBITDA	24.7	40.8	-39.5%	21.9	-46.3%
Adjusted EBITDA margin (%)	10.2%	15.3%	-5.1pp	9.0%	-6.3pp

YTD Figures (€ mn)	12M '18	12M '17	Change	Excl. IFRS 15	
				12M '18	Change
Revenues	933.2	972.0	-4.0%	932.2	-4.1%
Retail Fixed Services	246.9	288.0	-14.3%	252.6	-12.3%
Mobile Service Revenues	321.6	334.8	-3.9%	329.8	-1.5%
Wholesale Services	111.8	120.7	-7.4%	111.8	-7.4%
Other Revenues	252.9	228.5	+10.7%	238.0	+4.2%
Adjusted EBITDA	136.3	160.1	-14.9%	126.1	-21.2%
Adjusted EBITDA margin (%)	14.6%	16.5%	-1.9pp	13.5%	-3.0pp

Total revenues from Romania were down 9.0% to €242.2mn in Q4'18. Revenues from Retail Fixed services were down 15.7%, or 14.0% excluding the IFRS 15 impact. The main contributor to this drop was fixed voice revenues where a combination of lower fixed telephony subscriber base paired with voice ARPU deterioration led to a negative performance. Even though TV subscribers declined overall, the drop reflects DTH only, while there is an increasing shift towards "new generation" technologies, already accounting for 40% of the base and up by around 70k subscribers, with improved longer term profitability. Together with the increase in customers using premium TV content/sport packages, this shows a favorable response of the customers to Telekom's improved TV options.

Mobile Service revenues were down 18.1% to €75.6mn in Q4'18, or down 15.4% excluding the IFRS 15 impact. The decrease is due to a deterioration of operating trends as well as a transition in IT platforms. Total Revenues from FMC services increased by 9.1% as the number of FMC subscribers rose 44% year-on-year, to 726k.

Telekom Romania Mobile's customer base totaled 4.6mn at the end of Q4'18, down 2.5% from the year-earlier level, following the elimination of inactive customers. Of the total customer base, 34% were postpaid.

Higher revenues from Wholesale Services primarily reflect the increase in international transit traffic business.

Combined adjusted EBITDA in Romania decreased by 39.5% to €24.7mn in Q4'18, affected by one-off receivable provisions.

The Group's Romanian operations took decisive steps in the fourth quarter to return to healthy financial and operating conditions. Management believes that, following the significant one-off Bad Debt provisions charged, in mobile operations, during the year to account for billing issues following a change in systems, together with cost restructuring and capex initiatives underway, it is well positioned to stabilize its operations going forward.

SIGNIFICANT EVENTS OF THE QUARTER

2018 Shareholder Remuneration Policy - Share Buyback Programs

In line with its stated Shareholder Remuneration policy allocating 35% of its reported free Cash Flow of the year to share repurchases, OTE purchased 8,890,960 of its own shares, at an average price of €10.5266 per share, for a total consideration of €93.6mn (excluding brokerage and other fees), between April 4 and November 13, 2018.

SUBSEQUENT EVENTS

Dividend

The Board of Directors of OTE will propose to the Company's Annual General Assembly of Shareholders of June 12, 2019 the distribution of a dividend of €0.46 per share outstanding, up from €0.35 per share distributed last year. The corresponding dividend payout, i.e. €220.8mn, is aligned with OTE's Shareholder Remuneration policy adopted in early 2018, allocating 63% of its reported free Cash Flow of the year to its ordinary dividend.

Share Buyback

As part of its approved Shareholder Remuneration Policy, OTE will allocate the balance of the Free Cash Flow it expects to generate in 2019 to ordinary dividend and repurchases of shares for cancellation. The estimated amount of the share repurchase program will range within a 5% range of the targeted amount of €129.2mn.

Disposal of Telekom Albania

On January 16, OTE announced that it had entered into an agreement to sell its entire stake in Telekom Albania to a consortium of investors for a total equity consideration of €50mn. Closing is expected by April 2019. Net proceeds from this sale, after deducting any cash, expenses and other adjustments will be distributed to OTE shareholders.

Cancellation of Own Shares

In 2018, 8,890,960 own shares were acquired for the purpose of cancellation within the framework of the Share Repurchase Program approved by the General Meeting of Shareholders on February 15, 2018. In addition, prior to the commencement of the aforementioned Share Repurchase Program, OTE held 1,320,110 of its own shares.

The Extraordinary General Meeting of Shareholders of December 19, 2018 approved the cancellation of the aforementioned total own shares, i.e. 10,211,070 shares (2.083% of total share capital), together with the corresponding reduction in the Company's share capital and amendment of the Company's Articles of Incorporation in order to reflect such reduction. The cancellation was proposed pursuant to the Shareholders Remuneration Policy approved by the Board of Directors on January 18, 2018.

On February 5, 2019, following notification to the Corporate Actions Committee of the Athens Stock Exchange and other legal and regulatory procedures, the aforementioned shares were canceled and delisted from the Athens Exchange effective February 19, 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 and Romania. 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, insurance distribution 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 December 31, 2018 and December 31, 2017
- III. Consolidated Income Statements for the quarter and twelve months ended December 31, 2018 and comparative 2017
- IV. Group Revenues for the quarter and twelve months ended December 31, 2018 and comparative 2017
- V. Consolidated Statement of Cash Flows for the quarter ended December 31, 2018 and comparative quarters
- VI. Per Segment Information for the quarter and twelve months ended December 31, 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.

Note: All figures (apart from 2017 Balance Sheet items) adjusted to reflect only continuing operations - Albanian operations treated as discontinued operations.

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	31/12/2018	31/12/2017	Change
Long-term borrowings	1,280.6	1,276.2	+0.3%
Short-term portion of long-term borrowings	548.0	764.5	-28.3%
Short-term borrowings	-	-	-
Cash and cash equivalents	(1,084.7)	(1,297.7)	-16.4%
Net Debt	743.9	743.0	+0.1%
Other financial assets	(5.1)	(5.9)	-13.6%
Adjusted Net Debt	738.8	737.1	+0.2%

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	Q4 '18	Q4 '17	Change	12M '18	12M '17	Change
Total Revenues	973.0	983.5	-1.1%	3,798.7	3,796.9	+0.0%
Other Operating Income	27.6	16.4	+68.3%	83.0	51.4	+61.5%
Total operating expenses before depreciation, amortization and impairment	(697.7)	(682.6)	+2.2%	(2,630.8)	(2,611.7)	+0.7%
EBITDA	302.9	317.3	-4.5%	1,250.9	1,236.6	+1.2%
EBITDA margin %	31.1%	32.3%	-1.2pp	32.9%	32.6%	+0.3pp
Costs related to voluntary leave schemes	7.7	13.9	-44.6%	51.0	51.7	-1.4%
Other restructuring and non-recurring litigations	14.6	2.6	-	14.9	6.8	+119.1%
Adjusted EBITDA	325.2	333.8	-2.6%	1,316.8	1,295.1	+1.7%
Adjusted EBITDA margin %	33.4%	33.9%	-0.5pp	34.7%	34.1%	+0.6pp

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, effect of changes to tax rate and tax effect from deductible investment losses, as illustrated in the table below:

Amounts in € mn – After Tax impact	Q4 '18	Q4 '17	Change	12M '18	12M '17	Change
Profit to owners of the parent from continuing operations (reported)	23.0	38.3	-39.9%	256.5	169.3	+51.5%
Costs related to voluntary leave schemes	5.1	5.6	-8.9%	35.5	34.6	+2.6%
Other restructuring & non-recurring litigations	14.6	2.8	-	14.9	9.8	+52.0%
Net Impact from Impairments & Write offs	-	31.4	-100.0%	11.4	31.4	-63.7%
Utilization of previously unrecognized tax losses	(15.9)	(23.3)	-31.8%	(63.6)	(23.3)	+173.0%
Effect of changes to tax rate	28.1	-	-	28.1	-	-
Reversal of provision related to Assets Sales	(1.8)	(13.4)	-86.6%	(1.8)	(13.4)	-86.6%
Adjusted Profit to owners of the parent	53.1	41.4	+28.3%	281.0	208.4	+34.8%

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	Q4 '18	Q4 '17	Change	12M '18	12M '17	Change
Purchase of property plant and equipment and intangible assets (reported) - CAPEX	(226.1)	(316.1)	-28.5%	(719.9)	(904.2)	-20.4%
Spectrum Payments	-	95.9	-	13.5	111.4	-87.9%
Capital expenditure payments related to non-recurring litigation	-	11.0	-	-	11.0	-
Adjusted CAPEX	(226.1)	(209.2)	+8.1%	(706.4)	(781.8)	-9.6%

Free Cash Flow

Free cash flow is an APM used by the Group and defined as cash generated by operating activities, excluding net cash flows from operating activities of discontinued operations, 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	Q4 '18	Q4 '17	Change	12M '18	12M '17	Change
Net cash flows from operating activities -Total	334.2	233.9	42.9%	995.5	800.6	+24.3%
Minus: Net cash flows from operating activities of discontinued operations	(5.2)	(0.3)	-	(11.0)	(25.8)	-57.4%
Interest received	0.8	0.4	+100.0%	2.5	1.6	+56.3%
Purchase of property, plant, equipment & intangible assets	(226.1)	(316.1)	-28.5%	(719.9)	(904.2)	-20.4%
Free Cash Flow	103.7	(82.1)	-	267.1	(127.8)	-

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	Q4 '18	Q4 '17	Change	12M '18	12M '17	Change
Free Cash Flow	103.7	(82.1)	-	267.1	(127.8)	-
Payment for voluntary leave schemes	6.9	42.0	-83.6%	60.9	65.2	-6.6%
Payment for restructuring and non-recurring litigations	0.4	39.8	-99.0%	3.2	43.4	-92.6%
Spectrum payments	-	95.9	-100.0%	13.5	111.4	-87.9%
Adjusted FCF	111.0	95.6	+16.1%	344.7	92.2	+273.9%

II. GROUP CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in €mn	31/12/2018	31/12/2017
ASSETS		
Non - current assets		
Property, plant and equipment	2,741.1	2,740.9
Goodwill	446.9	447.1
Telecommunication licenses	448.5	523.6
Other intangible assets	432.2	504.2
Investments	0.1	0.1
Loans to pension funds	79.2	82.5
Deferred tax assets	254.8	313.5
Contract costs	50.2	-
Other non-current assets	115.8	112.1
Total non - current assets	4,568.8	4,724.0
Current assets		
Inventories	82.0	91.3
Trade receivables	606.0	719.7
Other financial assets	5.1	5.9
Contract assets	36.4	-
Other current assets	245.5	259.3
Restricted Cash	2.9	4.3
Cash and cash equivalents	1,084.7	1,297.7
Total current assets	2,062.6	2,378.2
Assets of disposal group classified as held for sale	68.5	-
TOTAL ASSETS	6,699.9	7,102.2
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	1,387.1	1,387.1
Share premium	496.7	496.4
Treasury shares	(108.5)	(14.5)
Statutory reserve	383.3	373.5
Foreign exchange and other reserves	(122.8)	(157.1)
Changes in non-controlling interests	(3,314.1)	(3,314.1)
Retained earnings	3,611.5	3,573.1
Total equity attributable to owners of the parent	2,333.2	2,344.4
Non-controlling interests	241.5	245.0
Total equity	2,574.7	2,589.4
Non-current liabilities		
Long-term borrowings	1,280.6	1,276.2
Provision for staff retirement indemnities	186.9	224.3
Provision for youth account	120.9	129.9
Contract liabilities	50.8	-
Deferred tax liabilities	23.7	30.6
Other non - current liabilities	87.8	130.8
Total non - current liabilities	1,750.7	1,791.8
Current liabilities		
Trade accounts payable	1,034.0	1,154.3
Short-term portion of long-term borrowings	548.0	764.5
Income tax payable	25.5	41.6
Contract liabilities	122.0	-
Deferred revenue	-	128.3
Provision for voluntary leave schemes	141.1	139.3
Dividends payable	0.9	0.4
Other current liabilities	464.3	492.6
Total current liabilities	2,335.8	2,721.0
Liabilities of disposal group classified as held for sale	38.7	-
TOTAL EQUITY AND LIABILITIES	6,699.9	7,102.2

III. CONSOLIDATED INCOME STATEMENT

Amounts in € mn	Q4'18	Q4'17	%	12M'18	12M'17	%
Total revenues	973.0	983.5	-1.1%	3,798.7	3,796.9	+0.0%
Other operating income	27.6	16.4	+68.3%	83.0	51.4	+61.5%
Operating expenses						
Interconnection and roaming costs	(139.0)	(120.5)	+15.4%	(550.8)	(548.0)	+0.5%
Provision for doubtful accounts	(57.2)	(32.6)	+75.5%	(150.1)	(106.2)	+41.3%
Personnel costs	(133.4)	(151.7)	-12.1%	(563.7)	(615.9)	-8.5%
Costs related to voluntary leave schemes	(7.7)	(13.9)	-44.6%	(51.0)	(51.7)	-1.4%
Commission costs	(26.7)	(40.0)	-33.3%	(95.9)	(136.2)	-29.6%
Merchandise costs	(117.3)	(94.1)	+24.7%	(367.3)	(293.6)	+25.1%
Maintenance and repairs	(16.6)	(17.5)	-5.1%	(94.1)	(92.9)	+1.3%
Marketing	(18.3)	(26.8)	-31.7%	(83.7)	(92.5)	-9.5%
Other operating expenses	(181.5)	(185.5)	-2.2%	(674.2)	(674.7)	-0.1%
Total operating expenses before depreciation, amortization and impairment	(697.7)	(682.6)	+2.2%	(2,630.8)	(2,611.7)	+0.7%
Operating profit before financial and investing activities, depreciation, amortization and impairment	302.9	317.3	-4.5%	1,250.9	1,236.6	+1.2%
Depreciation, amortization and impairment	(188.5)	(264.7)	-28.8%	(755.7)	(839.9)	-10.0%
Operating profit before financial and investing activities	114.4	52.6	+117.5 %	495.2	396.7	+24.8%
Income and expense from financial and investing activities						
Interest and related expenses	(23.1)	(34.0)	-32.1%	(86.1)	(139.1)	-38.1%
Interest income	0.7	0.5	+40.0%	2.4	1.6	+50.0%
Foreign exchange differences, net	-	(1.9)	-100.0%	(0.3)	(5.5)	-94.5%
Gains / (losses) from investments and other financial assets - Impairment	2.4	19.0	-87.4%	2.2	19.0	-88.4%
Total loss from financial and investing activities	(20.0)	(16.4)	+22.0%	(81.8)	(124.0)	-34.0%
Profit before tax	94.4	36.2	+160.8%	413.4	272.7	+51.6%
Income tax	(69.9)	(21.6)	-	(165.8)	(147.6)	+12.3%
Profit for the period from continuing operations	24.5	14.6	+67.8%	247.6	125.1	+97.9%
Loss from discontinued operations	(55.4)	(91.2)	-39.3%	(81.7)	(102.3)	-20.1%
Profit /(Loss) for the period	(30.9)	(76.6)	-59.7%	165.9	22.8	-
Attributable to:						
Owners of the parent	(32.3)	(52.7)	-38.7%	175.0	67.2	+160.4%
Non-controlling interests	1.4	(23.9)	-105.9%	(9.1)	(44.4)	-79.5%

IV. GROUP REVENUES

Amounts in € mn	Q4'18	Q4'17	%	12M'18	12M'17	%
Revenue						
Fixed business:						
Retail services revenues	289.6	297.6	-2.7%	1,162.6	1,191.2	-2.4%
Wholesale services revenues	170.0	154.3	+10.2%	662.9	662.6	+0.0%
Other revenues	92.7	82.9	+11.8%	308.1	295.6	+4.2%
Total revenues from fixed business	552.3	534.8	+3.3%	2,133.6	2,149.4	-0.7%
Mobile business:						
Service revenues	297.7	328.4	-9.3%	1,247.3	1,276.3	-2.3%
Handset revenues	80.4	70.9	+13.4%	268.3	223.3	+20.2%
Other revenues	2.0	8.6	-76.7%	23.4	20.3	+15.3%
Total revenues from mobile business	380.1	407.9	-6.8%	1,539.0	1,519.9	+1.3%
Miscellaneous other revenues	40.6	40.8	-0.5%	126.1	127.6	-1.2%
Total revenues	973.0	983.5	-1.1%	3,798.7	3,796.9	+0.0%

V. CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in € mn	Q4'18	Q4'17	%	12M'18	12M'17	%
Cash flows from operating activities						
Profit before tax	94.4	36.2	+160.8%	413.4	272.7	+51.6%
<u>Adjustments for:</u>						
Depreciation, amortization and impairment	188.5	264.7	-28.8%	755.7	839.9	-10.0%
Costs related to voluntary leave schemes	7.7	13.9	-44.6%	51.0	51.7	-1.4%
Provision for staff retirement indemnities	(2.2)	1.6	-	(30.2)	9.8	-
Provision for youth account	0.3	-	-	2.3	2.1	+9.5%
Foreign exchange differences, net	-	1.9	-100.0%	0.3	5.5	-94.5%
Interest income	(0.7)	(0.5)	+40.0%	(2.4)	(1.6)	+50.0%
(Gains) / losses from investments and other financial assets-Impairments	(2.4)	(19.0)	-87.4%	(2.2)	(19.0)	-88.4%
Interest and related expenses	23.1	34.0	-32.1%	86.1	139.1	-38.1%
Working capital adjustments:	141.9	75.7	87.5%	50.1	(103.9)	-
Decrease / (increase) in inventories	19.3	(4.6)	-	6.6	1.6	-
Decrease / (increase) in receivables	150.4	84.0	79.0%	85.9	9.7	-
(Decrease) / increase in liabilities (except borrowings)	(27.8)	(3.7)	-	(42.4)	(115.2)	-63.2%
<u>Plus / (Minus):</u>						
Payment for voluntary leave schemes	(6.9)	(42.0)	-83.6%	(60.9)	(65.2)	-6.6%
Payment of staff retirement indemnities and youth account, net of employees' contributions	(3.5)	(3.6)	-2.8%	(12.3)	(12.6)	-2.4%
Interest and related expenses paid	(17.4)	(35.8)	-51.4%	(88.0)	(131.8)	-33.2%
Income taxes paid	(93.8)	(93.5)	+0.3%	(178.4)	(211.9)	-15.8%
Net cash flows from operating activities from discontinued operations	5.2	0.3	-	11.0	25.8	-57.4%
Net cash flows from operating activities	334.2	233.9	+42.9%	995.5	800.6	+24.3%
Cash flows from investing activities						
Sale or maturity of financial assets	0.1	-	-	0.4	0.2	+100.0%
Repayment of loans receivable	1.7	1.7	-	7.1	6.2	+14.5%
Purchase of property, plant and equipment and intangible assets	(226.1)	(316.1)	-28.5%	(719.9)	(904.2)	-20.4%
Movement in restricted cash	1.2	(0.7)	-	1.2	(0.8)	-
Interest received	0.8	0.4	+100.0%	2.5	1.6	56.3%
Net cash flows from investing activities of discontinued operations	(4.1)	(4.1)	-	(12.6)	(15.7)	-19.7%
Net cash flows used in investing activities	(226.4)	(318.8)	-29.0%	(721.3)	(912.7)	-21.0%
Cash flows from financing activities						
Share Options Plans	-	-	-	-	(0.3)	-100.0%
Acquisition of treasury shares	(31.2)	-	-	(94.2)	-	-
Other payments for subsidiary's share capital increase	-	-	-	(0.9)	-	-
Proceeds from loans granted and issued	15.7	150.0	-89.5%	570.3	150.0	-
Repayment of loans	(13.6)	(62.5)	-78.2%	(784.1)	(242.7)	-
Dividends paid to Company's owners	-	-	-	(171.1)	(78.1)	+119.1%
Net cash flows from financing activities of discontinued operations	-	-	-	-	-	-
Net cash flows from / (used in) financing activities	(29.1)	87.5	-	(480.0)	(171.1)	-
Net increase / (decrease) in cash & cash equivalents	78.7	2.6	-	(205.8)	(283.2)	-27.3%
Cash and cash equivalents, at the beginning of the period	1,012.5	1,297.0	-21.9%	1,297.7	1,585.6	-18.2%
Net foreign exchange differences	1.0	(1.9)	-152.6%	0.3	(4.7)	-106.4%
Cash and cash equivalents of disposal group classified as held for sale	(7.5)	-	-	(7.5)	-	-
Cash and cash equivalents, at the end of the period	1,084.7	1,297.7	-16.4%	1,084.7	1,297.7	-16.4%

VI. PER SEGMENT INFORMATION – IFRS 15 IMPACT

QUARTERLY - REVENUES AND ADJUSTED EBITDA

				<i>Excl. IFRS 15</i>	
Amounts in € mn	Q4 '18	Q4 '17	Change	Q4 '18	Change
Fixed Line Operations, Greece					
Retail Fixed Services Revenues	231.3	228.5	+1.2%	232.2	+1.6%
Total Revenues	410.9	409.5	+0.3%	410.6	+0.3%
Adjusted EBITDA	172.4	180.5	-4.5%	171.7	-4.9%
<i>Adjusted EBITDA margin %</i>	<i>42.0%</i>	<i>44.1%</i>	<i>-2.1pp</i>	<i>41.8%</i>	<i>-2.3pp</i>
Mobile Operations, Greece					
Service Revenues	226.8	240.1	-5.5%	233.7	-2.7%
Total Revenues	311.7	313.3	-0.5%	311.4	-0.6%
Adjusted EBITDA	109.2	94.4	+15.7%	106.1	+12.4%
Adjusted EBITDA margin %	35.0%	30.1%	+4.9pp	34.1%	+4.0pp
Fixed Line Operations, Romania					
Retail Fixed Service Revenues	58.6	69.7	-15.9%	59.8	-14.2%
Total Revenues	159.4	160.3	-0.6%	159.8	-0.3%
Adjusted EBITDA	35.6	26.1	+36.4%	34.7	+33.0%
Adjusted EBITDA margin %	22.3%	16.3%	+6.0pp	21.7%	+5.4pp
Mobile Operations, Romania					
Service Revenues	65.5	83.5	-21.6%	67.2	-19.5%
Total Revenues	109.3	139.5	-21.6%	109.7	-21.4%
Adjusted EBITDA	-10.9	14.7	-174.1%	-12.8	-187.1%
<i>Adjusted EBITDA margin %</i>	<i>-10.0%</i>	<i>10.5%</i>	<i>-20.5pp</i>	<i>-11.7%</i>	<i>-22.2pp</i>
All Other					
Total Revenues	105.7	99.9	+5.8%	105.7	+5.8%
Adjusted EBITDA	18.8	21.3	-11.7%	18.8	-11.7%
<i>Adjusted EBITDA margin %</i>	<i>17.8%</i>	<i>21.3%</i>	<i>-3.5pp</i>	<i>17.8%</i>	<i>-3.5pp</i>
Eliminations					
Total Revenues	(124.0)	(139.0)	-10.8%	(126.7)	-8.8%
Adjusted EBITDA	0.1	(3.2)	-103.1%	-	-100.0%
OTE GROUP					
Total Revenues	973.0	983.5	-1.1%	970.5	-1.3%
Adjusted EBITDA	325.2	333.8	-2.6%	318.5	-4.6%
<i>Adjusted EBITDA margin %</i>	<i>33.4%</i>	<i>33.9%</i>	<i>-0.5pp</i>	<i>32.8%</i>	<i>-1.1pp</i>

YTD - REVENUES AND ADJUSTED EBITDA

				<i>Excl. IFRS 15</i>	
Amounts in € mn	12M '18	12M '17	Change	12M '18	Change
Fixed Line Operations, Greece					
Retail Fixed Services Revenues	916.8	904.6	+1.3%	920.4	+1.7%
Total Revenues	1,582.6	1,583.8	-0.1%	1,582.5	-0.1%
Adjusted EBITDA	690.7	677.6	+1.9%	690.2	+1.9%
<i>Adjusted EBITDA margin %</i>	<i>43.6%</i>	<i>42.8%</i>	<i>+0.8pp</i>	<i>43.6%</i>	<i>+0.8pp</i>
Mobile Operations, Greece					
Service Revenues	943.8	957.5	-1.4%	971.2	+1.4%
Total Revenues	1,226.2	1,202.3	+2.0%	1,230.8	+2.4%
Adjusted EBITDA	432.0	404.0	+6.9%	428.7	+6.1%
<i>Adjusted EBITDA margin %</i>	<i>35.2%</i>	<i>33.6%</i>	<i>+1.6pp</i>	<i>34.8%</i>	<i>+1.2pp</i>
Fixed Line Operations, Romania					
Retail Fixed Service Revenues	247.3	288.7	-14.3%	253.0	-12.4%
Total Revenues	579.5	607.7	-4.6%	578.0	-4.9%
Adjusted EBITDA	92.8	101.9	-8.9%	84.8	-16.8%
<i>Adjusted EBITDA margin %</i>	<i>16.0%</i>	<i>16.8%</i>	<i>-0.8pp</i>	<i>14.7%</i>	<i>-2.1pp</i>
Mobile Operations, Romania					
Service Revenues	285.1	303.7	-6.1%	290.8	-4.2%
Total Revenues	473.0	464.9	+1.7%	473.5	+1.8%
Adjusted EBITDA	43.5	58.2	-25.3%	41.3	-29.0%
<i>Adjusted EBITDA margin %</i>	<i>9.2%</i>	<i>12.5%</i>	<i>-3.3pp</i>	<i>8.7%</i>	<i>-3.8pp</i>
All Other					
Total Revenues	454.4	451.6	+0.6%	454.4	+0.6%
Adjusted EBITDA	58.5	58.4	+0.2%	58.5	+0.2%
<i>Adjusted EBITDA margin %</i>	<i>12.9%</i>	<i>12.9%</i>	<i>0pp</i>	<i>12.9%</i>	<i>0pp</i>
Eliminations					
Total Revenues	(517.0)	(513.4)	+0.7%	(526.2)	+2.5%
Adjusted EBITDA	(0.7)	(5.0)	-86.0%	(1.1)	-78.0%
OTE GROUP					
Total Revenues	3,798.7	3,796.9	+0.0%	3,793.0	-0.1%
Adjusted EBITDA	1,316.8	1,295.1	+1.7%	1,302.4	+0.6%
<i>Adjusted EBITDA margin %</i>	<i>34.7%</i>	<i>34.1%</i>	<i>+0.6 pp</i>	<i>34.3%</i>	<i>+0.2pp</i>