

# OTE PLC

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014



These financial statements were approved by the Board of Directors of OTE PLC on the 07 April 2015 and are available online at the site [www.ote.gr/web/guest/corporate/ir](http://www.ote.gr/web/guest/corporate/ir)

REGISTERED NUMBER: 3896324

**TABLE OF CONTENTS****PAGES**

<b>ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014</b>	<b>1-9</b>
Strategic report for the year ended 31 December 2014	2
Directors' report for the year ended 31 December 2014	3
Independent auditors' report to the members of OTE PLC	6
Profit and loss account for the year ended 31 December 2014	7
Reconciliation of movements in shareholders' funds for the year ended 31 December 2014	8
Balance sheet as at 31 December 2014	9
<b>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014</b>	<b>10-23</b>
1. Accounting Policies	10
2. Net finance income	12
3. Operating profit and profit on ordinary activities before taxation	12
4. Staff costs	12
5. Directors' remuneration	12
6. Tax on Profit on ordinary activities	12
7. Debtors	13
8. Creditors	16
9. Called-up share capital	18
10. Profit and loss account	18
11. Reconciliation of movements in equity shareholders' funds	19
12. Related party transactions	19
13. Financial Instruments	19
14. Ultimate parent company	21
15. Events after the Balance Sheet Date	22

## OTE PLC

### Strategic report for the year ended 31 December 2014

The Directors present their strategic report on the Company for the year ended 31 December 2014.

#### Review of the Business

The following business review has been provided by the directors in accordance with the Companies Act 2006.

The principal activity of the Company is to borrow and raise funds from the market and otherwise, for the benefit of its parent company, Hellenic Telecommunications Organisation (OTE), and other OTE Group subsidiaries. The Company's profits stem from the difference between interest received from OTE and OTE Group subsidiaries and interest paid to the bondholders and other lenders. Profits and/or retained earnings are used to cover administrative and other expenses.

During 2014, the improved market climate and stability enabled the Company to access the debt capital markets, issuing in July 2014 a €700 million 6-year bond with an annual coupon of 3.50%. The funds were subsequently lent intragroup. On July 11, 2014, the Company concluded a tender for cash of its February 2015 Notes and its May 2016 Notes. The Company accepted tenders amounting to €305 million and €195 million of the February 2015 and the May 2016 Notes respectively. The tender was financed via the proceeds of the €700 million new bond issue of the Company.

OTE credit profile has improved further during this year. Specifically, on August 7, 2014, Moody's Investor Services raised the long-term corporate credit rating of OTE to Ba3 from B2. The rating action primarily reflected the view that the group's liquidity risk management has improved substantially over the past few months. On September 30, 2014, Standard and Poor's Credit Market Services raised the long-term corporate credit rating of OTE to BB from BB-. The rating action primarily reflected the view that OTE will maintain adequate liquidity and generate robust free operating cash flow over 2014-2016.

The directors expect that the Company will continue to borrow and raise funds from the market for financing OTE Group in the forthcoming periods.

#### Principal risks and uncertainties

The principal activity of the Company outlined above gives rise to exposure to financial risks in the ordinary course of business. The main risks associated with the Company's financial assets and liabilities are set out in note 13 to the financial statements.

The Company perceives and monitors the following major trends, opportunities and risks for the year ended 31 December 2014 and beyond:

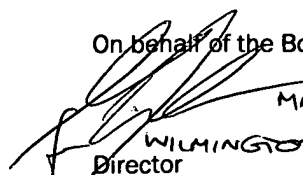
- Interest rate movements
- Credit spreads

#### Financial Key performance Indications

Key Performance Indicators ("KPIs"), allow the Directors and shareholders to monitor the Company as a whole. The board of directors of the Company monitors KPIs on a regular basis. The Company's KPIs are as follows:

	31.12.2014	31.12.2013
	€	€
1. Administrative expenses	632,971	835,831
2. Interest receivable and similar income	205,322,948	235,216,767
3. Interest payable and similar charges	201,928,790	233,559,465
4. Cash and cash equivalents	31,615,485	42,588,629
5. Amounts owed by group companies	3,239,714,577	3,173,873,370
6. Guaranteed notes, and short-term credit facilities	3,142,715,142	3,051,226,334

On behalf of the Board

  
MARK FLIER  
WILMINGTON TRUST SP SERVICES (LONDON) LIMITED  
Director  
7<sup>TH</sup> April 2015

## **OTE PLC**

### **Directors' report for the year ended 31 December 2014**

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The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

The directors present their report on the affairs of OTE PLC ("the Company"), registered number 3896324, together with the financial statements for the year ended 31 December 2014.

#### **Directors and advisors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Charalampos Mazarakis  
Panos Kaliabetsos  
Mark Howard Filer  
Martin McDermott (until 05.12.2014)  
Andreas Demosthenous (from 21.01.2015)  
Mignon Clarke (from 05.03.2015)  
Anastasios Tzoulas (from 05.03.2015)  
Wilmington Trust SP Services (London) Limited

#### **Secretary**

Wilmington Trust SP Services (London) Limited  
1 King's Arms Yard, Third Floor, London, EC2R 7AF

#### **Independent Auditors**

PriceWaterhouseCoopers LLP  
1 Embankment Place London WC2N 6RH

#### **Registered office**

c/o Wilmington Trust SP Services (London) Limited  
1 King's Arms Yard, Third Floor, London, EC2R 7AF

Two directors of the Company benefited from third party qualifying indemnity insurance provisions during 2014. Such qualifying third party indemnity provisions remain in force as at the date of approving the directors' report.

#### **Going Concern**

All liabilities are backed by intercompany loans granted to OTE Group companies with satisfactory credit standing (refer to Note 13). In addition, all bonds and loans from the market are guaranteed by OTE by various deeds of guarantee.

The Directors have considered the ability of the OTE Group companies to meet their obligations towards the Company as well as the ability of OTE to support the Company and are of the opinion that the Company will meet its obligations.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and Financial statements. In assessing the appropriateness of the going concern basis, all relevant information covering a period of at least twelve months from the date of the approval of the financial statements have been taken into account. In addition, the good credit standing of the Company's borrowers together with the deeds of guarantee which the Company has entered into with the parent company covering its bonds and loans derived from the market, and the parent company's ability to support the Company were also taken into consideration.

Based on the above, no material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors

#### **Results and dividends**

The audited financial statements for the year ended 31 December 2014 are set out on pages 10 to 23. Profit for the financial year was €2,747,533 (31 December 2013: €802,039). The directors do not recommend the payment of a dividend out of the Company's retained earnings (2013: € nil).

#### **Financial instruments**

Note 13 to the Financial statements provides details on the Company's financial risk management policies and related exposures.

#### **Creditor payment policy and practice**

Given the principal activity of the Company there are no trade creditors and consequently the Company has no supplier payment policy.

#### **Political and charitable contributions**

The Company made no political nor charitable contributions during the year (2013: € nil).

#### **Disclosure of information to auditors**

Each director at the date of approval of this report confirms that:

- As far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditors are unaware; and
- The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Independent Auditors**

A resolution for the appointment of PricewaterhouseCoopers LLP as auditors for the year 2014 was taken at the shareholders Annual General Meeting on 13 June 2014. A further resolution concerning the appointment of auditors will be proposed at the next Annual General Meeting.

#### **Internal control and risk management over financial reporting**

The Company has in place internal control and risk management systems in relation to the Company's financial reporting process and the process for preparation of the financial statements. These systems include policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP'); require representatives of the businesses to certify that their reported information gives a true and fair view of the state of affairs of the business and its results for the year; and review and reconcile reported data. The directors are responsible for monitoring these internal control and risk management systems.

#### **Responsibility Statements under the Disclosures and Transparency Rules**

The directors confirm that, to the best of each person's knowledge:

- the financial statements in this report, which have been prepared in accordance with UK GAAP and the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the directors' report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that they face. For further details, refer to note 13 to the financial statements.

#### **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors and signed on its behalf by:

 **MARK FILER**  
Wilmington Trust SP Services (London) Limited  
Director

7<sup>th</sup> April 2015

## Report on the financial statements

### Our opinion

In our opinion OTE PLC's financial statements (the "Financial Statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### What we have audited

OTE PLC's Financial Statements comprise:

- Balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the reconciliation of movements in shareholders' funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of Financial Statement is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Other matters on which we are required to report by exception

#### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### What an audit of financial statements involves

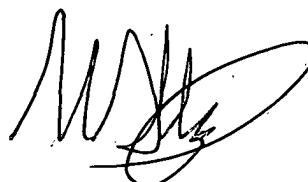
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Mark Allsop (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

7 April 2015

# OTE PLC

## Profit and loss account for the year ended 31 December 2014

	Note	<u>31.12.2014</u> €	<u>31.12.2013</u> €
Interest receivable and similar income	2	205,322,948	235,216,767
Interest payable and similar charges	2	(201,928,790)	(233,559,465)
<b>Net finance income</b>		<b>3,394,158</b>	<b>1,657,302</b>
Administrative expenses	3-4-5	(632,971)	(835,831)
<b>Operating profit and profit on ordinary activities before taxation</b>		<b>2,761,187</b>	<b>821,471</b>
Tax on profit on ordinary activities	6	(13,654)	(19,432)
<b>Profit on ordinary activities after taxation</b>		<b>2,747,533</b>	<b>802,039</b>
<b>Profit for the financial year</b>	10	<b>2,747,533</b>	<b>802,039</b>

The accompanying notes on pages 10 to 23 are an integral part of the financial statements.

The above results were from continuing operations throughout the year. There are no recognised gains and losses in either year other than as disclosed within the profit and loss account.

OTE PLC

Reconciliation of movements in shareholders' funds for the year ended 31 December 2014

	Called- up Share capital	Profit and loss account	Total
	€	€	€
Balance at 1 January 2013	80,076	28,065,174	28,145,250
Profit for the financial year	-	802,039	802,039
Balance at 31 December 2013	80,076	28,867,213	28,947,289
Profit for the financial year	-	2,747,533	2,747,533
<b>Balance at 31 December 2014</b>	<b>80,076</b>	<b>31,614,746</b>	<b>31,694,822</b>

The accompanying notes on pages 10 to 23 are an integral part of the financial statements.

**OTE PLC**  
**Balance sheet**  
**As at 31 December 2014**

	Notes	31.12.2014 €	31.12.2013 €
<b>Assets</b>			
<b>Non-Current Assets</b>			
-Trade and other receivables	7	2,056,552,983	2,382,751,983
<b>Total Non-Current Assets</b>		<b>2,056,552,983</b>	<b>2,382,751,983</b>
<b>Current Assets</b>			
-Trade and other receivables	7	1,184,623,805	791,291,592
-Cash and cash equivalents		31,615,485	42,588,629
<b>Total Current Assets</b>		<b>1,216,239,290</b>	<b>833,880,221</b>
<b>Total Assets</b>		<b>3,272,792,273</b>	<b>3,216,632,204</b>
<b>Creditors: Amounts falling due within one year (Current Liabilities)</b>			
-Loans and Other borrowings	8	(1,102,380,252)	(682,450,650)
-Other Creditors	8	(98,382,309)	(136,458,581)
<b>Total Creditors: Amounts falling within one year (Total Current Liabilities)</b>		<b>(1,200,762,561)</b>	<b>(818,909,231)</b>
<b>Net Current Assets</b>		<b>15,476,729</b>	<b>14,970,990</b>
<b>Total Assets less Total Current Liabilities</b>		<b>2,072,029,712</b>	<b>2,397,722,973</b>
<b>Creditors: Amounts falling due after more than one year (Non-Current Liabilities)</b>			
-Loans and other borrowings	8	(2,040,334,890)	(2,368,775,684)
<b>Total Creditors: Amounts falling within one year (Total Non-Current Liabilities)</b>		<b>(2,040,334,890)</b>	<b>(2,368,775,684)</b>
<b>Net Assets</b>		<b>31,694,822</b>	<b>28,947,289</b>
<b>Capital and reserves</b>			
-Called up share capital	9	80,076	80,076
-Profit and Loss account	10	31,614,746	28,867,213
<b>Total Capital and reserves</b>	<b>11</b>	<b>31,694,822</b>	<b>28,947,289</b>

The accompanying notes on pages 10 to 23 are an integral part of the financial statements.

Signed on behalf of the Board by:

  
**MARK FILER**  
Wilmington Trust SP Services (London) Limited  
Director

7th APRIL 2015

# **OTE PLC**

## **Notes to the financial statements for the year ended 31 December 2014**

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### **1. Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

The financial statements are prepared in accordance with the Companies act 2006 and United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and under the historical cost convention modified to include the measurement at fair value of derivative financial instruments. The financial statements have been prepared on the going concern basis.

#### **Finance income**

Finance income is recognised in the profit and loss account as the interest accrues (using the appropriate method).

#### **Finance costs**

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at the effective interest rate on the carrying amount.

#### **Taxation**

The tax charge is based on a "cost plus method" agreed with HM Revenue and Customs (HMRC). Namely, tax charged is based on the interest income earned from bank deposits and a 10% mark up on administrative costs.

#### **Foreign Currency**

The Company's functional currency is the Euro. Transactions involving other currencies are translated into Euro at the exchange rates prevailing on the date of the transactions. At the balance sheet date, monetary assets and liabilities, which are denominated in foreign currencies, are retranslated at the exchange rates at that date. Gains or losses resulting from foreign currency translation are recognized in the profit and loss account.

The exchange rate between the Euro and the British Pound ("GBP") at 31 December 2014 was: Euro 1.00/ 0.78 GBP (2013: Euro 1.00/ GBP 0.83).

#### **Income**

The Company's income and trade are wholly within the European Union and within a single market sector and therefore no segmental analysis has been presented.

#### **Company's debt guaranteed by parent company**

All bonds and loans from the market are fully and unconditionally guaranteed by OTE.

#### **Financial instruments**

##### **Guaranteed Notes**

Guaranteed Notes issued by the Company, are classified as liabilities under "Creditors", where the substance of the contractual arrangement results in the Company having an obligation to deliver cash to the holder.

The Guaranteed Notes are not designated at fair value through profit or loss. After initial measurement, debt issued and other borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the effective interest rate.

For liquidity/liability management purposes the Company is able to buy-back its outstanding Notes at fair value. The impact from the buyback is transferred to the profit and loss account.

## **OTE PLC**

### **Notes to the financial statements for the year ended 31 December 2014**

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#### *Non-derivative financial instruments*

Non-derivative financial instruments are comprised of cash, debtors, loans and receivables are measured initially at fair value plus transaction costs.

After initial measurement, non-derivative financial instruments are subsequently measured at amortised cost using the effective interest rate, less, for financial assets, allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortisation is included in "Interest receivable and similar income" in the profit and loss account.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. An instrument is classified at fair value through profit and loss if it is held for trading or is designated as such upon initial recognition. Such an instrument is measured at fair value, and changes therein are recognised in the profit and loss account.

#### *Derivative Financial Instruments and Hedging Instruments*

Derivative financial instruments include interest rate swaps, currency swaps and other derivative instruments.

*Derivatives for trading purposes:* Derivatives that do not qualify for hedging, are considered as derivatives for trading purposes. Initially, these derivatives are recognised at their fair value (which is essentially the transaction cost) at the commencement date. Subsequent to the initial recognition, they are measured at fair value based on quoted market prices, if available, or based on valuation techniques such as discounted cash flows. These derivatives are classified as assets or liabilities depending on their fair value, with any changes recognised in the profit and loss account. The Company does not have Derivatives for trading purposes.

*Hedging:* For hedge accounting purposes, hedges are classified either as Fair Value Hedges, where the exposure to changes in the fair value of a recognised asset or liability is being hedged, or as a Cash Flow Hedge, where the exposure to variability in cash flows associated with a specifically identified risk which may be directly related to the recognised asset or liability. When hedge accounting is to be applied, at the inception of the hedge there is formal documentation which includes identification of the hedging instrument, the hedged item, the hedging relationship, the nature of the risk being hedged and the risk strategy.

In a Fair Value Hedge, the gain or loss from re-measuring the hedging instrument at fair value is recognised in the profit and loss account and the carrying amount of the hedged item is adjusted to fair value with respect to the risk being hedged and the fair value adjustment is recognised in the profit and loss account.

In a Cash Flow hedge, the portion of the gain or loss arising from the fair value movement on the hedging instrument that is determined to be effective is recognised directly in equity and the ineffective portion is recognised in the profit and loss account.

If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is terminated. For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item on termination and the face value is amortised over the remaining term of the original hedge using the appropriate method. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the profit and loss account.

The Company did not apply cash flow and fair value hedge accounting this year or the prior year.

#### **Cash flow statement**

Under the provisions of Financial Reporting Standard No.1 (revised), the Company has not prepared a cash flow statement as OTE prepares publicly available consolidated financial statements, which include the results of the Company. These financial statements are obtainable upon request at the address shown in note 14.

#### **Capital Management**

The Company monitors as capital the value of its called up share capital and its retained profits (Note 9 and Directors' report Note "Results and dividends" respectively). The Company's objective in managing capital is to maintain its ability to continue as a going concern. The Company manages the capital structure and may make adjustments to it in response to changes in economic conditions and the risk profile of its markets and underlying assets. The Company may adjust its capital needs by determining the amount of profit to retain and the level of debt to maintain.

**OTE PLC****Notes to the financial statements for the year ended 31 December 2014****2. Net finance income**

	<u>31.12.2014</u> €	<u>31.12.2013</u> €
<b>Interest receivable and similar income</b>		
Interest income from group companies	205,321,616	233,392,212
Other finance income	211	1,824,428
Foreign exchange gain	1,121	127
<b>Total interest and similar income</b>	<b>205,322,948</b>	<b>235,216,767</b>
<b>Interest payable and similar charges</b>		
Guaranteed Notes & Syndicated Facilities	(201,908,116)	(225,451,797)
Clean fair value changes on hedge	-	(678,119)
Foreign exchange loss	(15,302)	(6,205)
Other financial expenses	(5,372)	(7,423,344)
<b>Total interest expense and similar charges</b>	<b>(201,928,790)</b>	<b>(233,559,465)</b>
<b>Net finance income</b>	<b>3,394,158</b>	<b>1,657,302</b>

**3. Operating profit and profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging:

	<u>31.12.2014</u> €	<u>31.12.2013</u> €
<b>Auditors' remuneration:</b>		
Amounts receivable by the auditors and their associates in respect of:		
Audit of these financial statements	20,000	20,000
<b>Tax services:</b>	<b>7,621</b>	<b>5,858</b>
<b>Other professional fees:</b>		
Rating agency fees	119,877	142,624
Other fees	310,559	504,248

**4. Staff costs**

The Company employs one person (2013: one). Personnel costs amounted to €95,120 (2013: €90,975) consisting of wages and salary cost €56,923 (2013: €52,087) and social security costs €38,197 (2013: €38,888).

**5. Directors' remuneration**

	<u>31.12.2014</u> €	<u>31.12.2013</u> €
Directors' remuneration	79,794	72,126
Highest paid director		
Directors' emoluments	67,286	65,010

**6. Tax on profit on ordinary activities**

(a) Analysis of charge in year:

	<u>31.12.2014</u> €	<u>31.12.2013</u> €
<b>Current tax:</b>		
Tax on profit for the year	(13,654)	(19,432)
<b>Total Current tax</b>	<b>(13,654)</b>	<b>(19,432)</b>

## OTE PLC

### Notes to the financial statements for the year ended 31 December 2014

#### (b) Factors affecting current tax:

The tax charge for the year is lower (2013: lower) than the standard rate of corporation tax in the UK (year ended 31 December 2014: 21,5% year ended 31 December 2013: 23,25%). The differences are explained below:

	<u>31.12.2014</u> €	<u>31.12.2013</u> €
Current tax reconciliation		
Profit on ordinary activities, before taxation:	2,761,187	821,471
Current tax (charge) at 21,5% (2013: 24% from 1/1/2013 to 31/3/2013 and 23% from 1/4/2013-31/12/2013)	(593,655)	(190,992)
Effects of:		
Non taxable income and disallowed and non deductible expenses	580,001	171,560
<b>Current tax charge</b>	<b>(13,654)</b>	<b>(19,432)</b>

In September 2006 a final agreement on a "cost plus method" was reached between the Company and HM Revenue and Customs (HMRC) following HMRC's enquiry into the Company's Corporation Tax Return, initially, for years 2002 and 2003. The tax enquiry, covered the years from 2000 and 2004 inclusive. According to the "cost plus method", tax was computed on interest income earned from bank deposits and a 10% mark up on administrative costs. This basis was applied from 2005 and onwards resulting in current year income tax of €13,654(2013: €19,432).

By 31 December 2014 an amount of €7,135 (2013: €9,269) has been prepaid netting off the tax liability to €6,519 (2013: €10,163).

#### 7. Debtors

##### (a) Current Assets: Trade and other receivables

	<u>31.12.2014</u> €	<u>31.12.2013</u> €
Called up share capital not paid (a)	-	60,057
Amounts owed by group companies	1,183,164,577	791,124,370
Prepayments and accrued income (b)	1,459,228	107,165
<b>Total</b>	<b>1,184,623,805</b>	<b>791,291,592</b>

#### Notes:

- (a) On December 22, 2014, the Company's shareholders paid the unpaid element of the Company's share capital.
- (b) Prepayments and accrued income as of 31 December 2014 include € 1,339,058, which is a claim from an OTE Group Company. On January 7, 2015 the Company received the total amount of € 1,339,058.

# OTE PLC

## Notes to the financial statements for the year ended 31 December 2014

Amounts owed by group companies are analysed as follows:

		<u>31.12.2014</u>	<u>31.12.2013</u>
		€	€
(i)	Subscription to bond issued by COSMOTE S.A. in July 2013 in the amount of €145 million, maturing in June 2014. Repaid at maturity.	-	145,000,000
(ii)	Subscription to bond issued by OTE in December 2013 in the amount of €167 million, maturing in November 2014. Repaid at maturity.	-	167,000,000
(iii)	Remaining balance of €500 million Loan granted to OTE in April 2011, maturing in April 2014. A total amount of €135.3 million was prepaid in 2013. Repaid at maturity.	-	364,747,000
(iv)	Subscription to bond issued by EVALUE S.A. in March 2013 in the amount of €3 million, maturing in September 2014. Repaid at maturity.	-	3,000,000
(v)	Remaining balance of €600 million Loan granted to OTE in February 2008, maturing in February 2015. A total amount of €167.6 million was repaid in 2014. The amount of loan was transferred from "Amounts falling due after more than one year "(see note 7(b) (i) below).	432,354,000	-
(vi)	Subscription to bond issued by COSMOTE S.A. in June 2014 in the amount of €53 million, maturing in May 2015.	53,000,000	-
(vii)	Subscription to bond issued by OTE in June 2014 in the amount of €53 million, maturing in June 2015.	53,000,000	-
(viii)	Subscription to bond issued by OTE in June 2014 in the amount of €51 million, maturing in May 2015.	51,000,000	-
(ix)	Subscription to bond issued by OTE in March 2014 in the amount of €99.7 million, maturing in September 2015.	99,700,000	-
(x)	Subscription to bond issued by OTE in March 2014 in the amount of €65 million, maturing in October 2015.	65,000,000	-
(xi)	Subscription to zero coupon bond issued by EVALUE S.A. in October 2014 in the amount of €3 million, maturing in September 2015.	2,998,514	-
(xii)	Subscription to bond issued by OTE in March 2014 in the amount of €95 million, maturing in November 2015.	95,000,000	-
(xiii)	Subscription to bond issued by COSMOTE S.A. in March 2014 in the amount of €75 million, maturing in December 2015.	75,000,000	-
(xiv)	Subscription to zero coupon bond issued by OTE in December 2014 in the amount of €170.7 million, maturing in December 2015.	166,480,481	-
(xv)	Accrued interest receivable	89,631,582	111,377,370
	<b>Total</b>	<b>1,183,164,577</b>	<b>791,124,370</b>

# OTE PLC

## Notes to the financial statements for the year ended 31 December 2014

### (b) Non-current assets: Trade and other receivables

	<u>31.12.2014</u>	<u>31.12.2013</u>
	€	€
Amounts owed by group companies	2,056,550,000	2,382,749,000
Other debtors	2,983	2,983
<b>Total</b>	<b>2,056,552,983</b>	<b>2,382,751,983</b>

Amounts owed by group companies are analysed as follows:

		<u>31.12.2014</u>	<u>31.12.2013</u>
		€	€
(i)	Loan granted to OTE in February 2008, in the amount of €600 million maturing in February 2015. The amount of loan was transferred to "Amount falling due within one year" (see note 7 (a) (v) above).	-	600,000,000
(ii)	Loan granted to OTE in January 2013 in the amount of €187.7 million, maturing in February 2015. The amount of loan was transferred to "Amount falling due within one year". On July 14, 2014 OTE S.A. prepaid the remaining amount.	-	187,749,000
(iii)	Remaining balance of bond issued by COSMOTE S.A. in November 2006 in the amount of €900 million maturing in May 2016. €5 million were prepaid in February 2011, while €575 million were prepaid in October 2013. A total amount of €43.5 million was prepaid in 2014.	276,550,000	320,000,000
(iv)	Subscription to bond issued by OTE in October 2013 in the amount of €575 million maturing in May 2016. A total amount of €195 million was prepaid in 2014.	380,000,000	575,000,000
(v)	Loan granted to OTE in February 2013 in the amount of €250 million, maturing in February 2018.	250,000,000	250,000,000
(vi)	Subscription to bond issued by COSMOTE S.A. in February 2013 in the amount of €450 million maturing in February 2018.	450,000,000	450,000,000
(vii)	Subscription to bond issued by OTE in July 2014 in the amount of €700 million maturing in July 2020.	700,000,000	-
	<b>Total</b>	<b>2,056,550,000</b>	<b>2,382,749,000</b>

# OTE PLC

## Notes to the financial statements for the year ended 31 December 2014

### 8. Creditors:

#### (a) Amounts falling due within one year: Loans and other borrowings

		<u>31.12.2014</u>	-	<u>31.12.2013</u>
		€		€
(i)	Remaining balance of Guaranteed Notes issued in April 2011, under the Global Medium Term Note Programme, in the amounts of €500 million, due in April 2014, with a coupon of 7.25% p.a.. A total amount of €135.3 million Notes was repurchased and cancelled in 2013. Repaid at maturity.	-		364,486,381
(ii)	Guaranteed zero-coupon Notes issued in March 2013 of €3.3 million maturing in September 2014. Repaid at maturity.	-		3,159,995
(iii)	Guaranteed zero-coupon Notes issued in July 2013 of €150.3 million maturing in June 2014. Repaid at maturity.	-		147,634,183
(iv)	Guaranteed zero-coupon Notes issued in December 2013 of €170.7 million maturing in November 2014. Repaid at maturity.	-		167,170,091
(v)	Guaranteed Notes issued in February 2008 in the amount of €600 million with a coupon of 7,25% p.a. maturing in February 2015. Following an exchange offer in January 2013 €187.7 million of new Notes were issued and consolidated with the existing €600 million. The amount was transferred from "Amounts falling due after more than one year" (see note 8 (c) (i) below). Following a tender offer in 2014 a total amount of €305 million Notes were repurchased and cancelled. An additional amount of €50.4 million Notes were repurchased and cancelled during 2014.	432,195,528		-
(vi)	Guaranteed zero-coupon Notes issued in June 2014 of €105.7 million maturing in May 2015.	104,966,338		-
(vii)	Guaranteed zero-coupon Notes issued in June 2014 of €54 million maturing in June 2015.	53,542,491		-
(viii)	Guaranteed zero-coupon Notes issued in March 2014 of €103.8 million maturing in September 2015.	101,893,249		-
(ix)	Guaranteed zero-coupon Notes issued in March 2014 of €67.8 million maturing in October 2015.	66,426,085		-
(x)	Guaranteed zero-coupon Notes issued in March 2014 of €99.5 million maturing in November 2015.	97,088,010		-
(xi)	Guaranteed zero-coupon Notes issued in March 2014 of €78.7 million maturing in December 2015.	76,644,767		-
(xii)	Guaranteed zero-coupon Notes issued in October 2014 of €3.03 million maturing in September 2015.	3,007,630		-
(xiii)	Guaranteed zero-coupon Notes issued in December 2014 of €170.7 million maturing in December 2015.	166,616,154		-
	<b>Total</b>	<b>1,102,380,252</b>		<b>682,450,650</b>

Guaranteed Notes at 31 December 2014 are stated net of unamortised debt issue costs of €13.2 million (31 December 2013: €6.6 million)

# OTE PLC

## Notes to the financial statements for the year ended 31 December 2014

### (b) Amounts falling due within one year: Other Creditors

		<u>31.12.2014</u>		<u>31.12.2013</u>
		€	-	€
(i)	Interest payable on guaranteed notes and syndicated facility.	80,273,215		117,573,833
(ii)	Income tax payable	6,519		10,163
(iii)	Other accruals and deferred income	18,102,575		18,874,585
	<b>Total</b>	<b>98,382,309</b>		<b>136,458,581</b>

### (c) Amounts falling due after more than one year: Loans and other borrowings

	<u>31.12.2014</u>		<u>31.12.2013</u>
	€		€
In more than one year but not more than two years	655,241,176		785,038,579
In more than two years but not more than five years	1,385,093,714		1,583,737,105
<b>Total</b>	<b>2,040,334,890</b>		<b>2,368,775,684</b>

These are analysed as follows:

		<u>31.12.2014</u>		<u>31.12.2013</u>
		€		€
(i)	Guaranteed Notes issued in February 2008 in the amount of €600 million with a coupon of 7.25% p.a. maturing in February 2015. Following an exchange offer in January 2013 €187.7 million of new Notes were issued and consolidated with the existing €600 million. The amount was transferred to "Amounts falling due within one year" (see note 8 (a) (v) above).	-		785,038,579
(ii)	Guaranteed Notes issued in November 2006 in the amount of €900 million with a coupon of 4.625% p.a. maturing in May 2016. In February 2011 the Company repurchased an amount of € 5 million Notes. The repurchased Notes have been cancelled. Following a tender offer in 2014 a total amount of €195 million Notes were repurchased and cancelled. An additional amount of € 43.5 million Notes were repurchased and cancelled during 2014.	655,241,176		891,938,941
(iii)	Guaranteed Notes issued in February 2013, in the amount of €700 million with a coupon of 7.875% p.a. paid semi-annually maturing in February 2018.	693,507,446		691,798,164
(iv)	Guaranteed Notes issued in July 2014, in the amount of €700 million with a coupon of 3.5% p.a. maturing in July 2020.	691,586,268		-
	<b>Total</b>	<b>2,040,334,890</b>		<b>2,368,775,684</b>

Guaranteed notes are issued under the Global Medium Term Note Program (GMTN) of €6.5 billion and are fully and unconditionally guaranteed by OTE. In an event of default, as defined in the respective Final Terms of the Notes, the Guaranteed Notes are repayable at par along with accrued interest.

On July 10, 2014 the Company issued new €700 million, due July 20, 2020 Fixed Rate Notes with an annual coupon of 3.50%, under its € 6.5 billion Global Medium Term Note Programme.

Guaranteed Notes falling due after more than one year are stated net of unamortised debt issue costs of €16.2 million (31 December 2013: €13.9 million).

## OTE PLC

### Notes to the financial statements for the year ended 31 December 2014

#### "Change of Control" clauses:

The guaranteed notes described in 8 (a) (v) and 8 (c) (ii) above include a "Change of Control" clause applicable to OTE which is triggered if both of the following events occur:

- a) any person or persons acting in concert or any person or persons acting on behalf of any such person(s) (other than the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by Hellenic Republic or any of its agencies or instrumentalities) at any time directly or indirectly come(s) to own or acquire(s) more than 50% of the issued ordinary share capital of OTE or such number of the shares in the capital of OTE carrying more than 50% of the voting rights normally exercisable at the general meeting of OTE, and
- b) as a consequence of (a), the rating previously assigned to the bonds by any international rating agency is withdrawn or downgraded to BB+/Ba1 or their respective equivalents (non-investment grade), within a specific period and under specific terms and conditions.

This "Change of Control" clause is included also in the respective bond issued by COSMOTE S.A. described in 7(b) (iii) as well as in the loan granted to OTE described in 7 (a) (v) and 7 (b) (iv).

The guaranteed note described in 8 (c) (iii) and 8 (c) (iv) above contain a "Change of Control" clause which is triggered if any person or persons acting in concert or any person or persons acting on behalf of any such person(s) (other than (i) DEUTSCHE TELEKOM (ii) DEUTSCHE TELEKOM together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with credit rating equivalent or better than the credit rating of DEUTSCHE TELEKOM ), gains the power to direct the management and policies of OTE, whether through the ownership of voting capital, by contract or otherwise.

In the event that the above changes of control clauses are triggered the Company is obliged to notify the bondholders, who can request (within 45 days after the abovementioned notice by the Company) the repayment of their notes.

This "Change of Control" clause is included also in the loan granted to OTE described in 7 (b) (v), 7 (b) (vii) and to COSMOTE S.A. in 7 (b) (vi).

Hence, in case the Company is required to prepay the notes as a result of a "Change of Control", it has the right to request prepayment of the intercompany loans/bonds, thus minimizing liquidity risk.

#### 9. Called-up share capital

	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>Authorised:</b>		
50,000 ordinary shares of £1 each	£50,000	£50,000
<b>Allotted, called-up:</b>		
50,000 ordinary shares of £1 each	€80,076	€80,076

#### 10. Profit and loss account

	€
<b>At 1 January 2013</b>	<b>28,065,174</b>
Profit for the financial year	802,039
<b>At 31 December 2013</b>	<b>28,867,213</b>
Profit for the financial year	2,747,533
<b>At 31 December 2014</b>	<b>31,614,746</b>

## OTE PLC

### Notes to the financial statements for the year ended 31 December 2014

#### 11. Reconciliation of movements in equity shareholders' funds

	€
Total shareholders' funds at 1 January 2013	28,145,250
Profit for the financial year	802,039
Total shareholders' funds at 31 December 2013	28,947,289
Profit for the financial year	2,747,533
<b>Total shareholders' funds at 31 December 2014</b>	<b>31,694,822</b>

#### 12. Related party transactions

The Company is a wholly owned subsidiary of OTE, and has taken advantage of the exemption included in FRS 8, paragraph 3c not to disclose intragroup transactions with its parent OTE or other wholly owned subsidiaries of the OTE group. The consolidated financial statements of OTE, within which this Company is included, can be obtained from the website [www.ote.gr](http://www.ote.gr).

#### 13. Financial instruments

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and management policies and procedures for the measuring and management of these risks.

##### Credit risk

Credit risk is the risk of financial loss to the Company if counterparty fails to meet its contractual obligations. Concentration of credit risk is identified in the receivables from affiliates with respect to debt facilities.

Company's debtors are companies operating in Greece. The economic situation in Greece has continued to be extremely challenging. The macroeconomic condition in Greece is the main risk factor affecting the Greek companies' outlook. To mitigate this risk, the Group has proceeded in several cost cutting initiatives in order to streamline its operations and has achieved a significant net debt reduction.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<u>31.12.2014</u> €	<u>31.12.2013</u> €
Amounts owed by group companies:		
i) Falling due within one year	1,183,164,577	791,124,370
ii) Falling due after more than one year	2,056,550,000	2,382,749,000
Cash and cash equivalents	31,615,485	42,588,629
<b>Total</b>	<b>3,271,330,062</b>	<b>3,216,461,999</b>

All the bonds issued under the Global Medium Term Note Program (GMTN) are guaranteed by OTE which is rated by Ba3 Moody's and BB by Standard and Poor's as of 31.12.2014.

The Company deposits its cash in highly rated banks and for a short term tenor.

# OTE PLC

## Notes to the financial statements for the year ended 31 December 2014

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Liquidity risk is kept at low levels by ensuring that all the Company's outflows (servicing of debt) are matched with at least equivalent inflows via back to back agreements with group companies.

The Group possesses cash and cash equivalents which, along with the operating cash flows that are expected to be generated, will result to a reasonably adequate liquidity level in order to enable the Group to meet its financing obligations.

For the monitoring of the liquidity risk, the Group prepares forecasted cash flows on a frequent basis.

The Company is dependent mainly on the credit standing of its parent company OTE, which acts as Guarantor to all the Company's financial liabilities. Macroeconomic conditions in Greece and the fiscal position of the Greek State continue to be weak and this affects the Group's business, results of operations, financial conditions and prospects.

Below is an analysis by maturity of the Company's financial liabilities based on contractual cash flows:

31 December 2014	Amounts (€)	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Notes under GMTN Programme	3,602,248,444	1,256,124,569	765,425,875	856,198,000	724,500,000
Suppliers	119,067	119,067	-	-	-
<b>Total</b>	<b>3,602,367,511</b>	<b>1,256,243,636</b>	<b>765,425,875</b>	<b>856,198,000</b>	<b>724,500,000</b>

31 December 2013	Amounts (€)	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Notes under GMTN Programme	3,612,432,419	869,142,710	941,386,552	1,801,903,157	-
Suppliers	-	-	-	-	-
<b>Total</b>	<b>3,612,432,419</b>	<b>869,142,710</b>	<b>941,386,552</b>	<b>1,801,903,157</b>	<b>-</b>

The average tenor of financial liabilities as of December 31, 2014 is 2.37 years (2013: 2.02 years).

### Fair Values

The fair values of financial assets and liabilities and the carrying amounts shown in the balance sheet are as follows:

	Carrying Amount €	Estimated fair value €
<b>Assets - 31 December 2014</b>		
Debtors (long-term portion)	2,056,550,000	2,095,031,165
Debtors (short-term portion)	1,184,623,805	1,182,969,683
Cash and cash equivalents	31,615,485	31,615,485
<b>Total</b>	<b>3,272,789,290</b>	<b>3,309,616,333</b>

	Carrying Amount €	Estimated fair value €
<b>Liabilities - 31 December 2014</b>		
Guaranteed Notes (long-term)	2,040,334,890	2,093,653,014
Guaranteed Notes (short-term)	1,182,653,457	1,270,573,000
<b>Total</b>	<b>3,222,988,347</b>	<b>3,364,226,014</b>

	Carrying Amount €	Estimated fair value €
<b>Assets - 31 December 2013</b>		
Debtors (long-term portion)	2,382,749,000	2,553,641,575
Debtors (short-term portion)	791,291,592	798,622,744
Cash and cash equivalents	42,588,629	42,588,629
<b>Total</b>	<b>3,216,629,221</b>	<b>3,394,852,948</b>

## OTE PLC

### Notes to the financial statements for the year ended 31 December 2014

	Carrying Amount €	Estimated fair value €
<b>Liabilities - 31 December 2013</b>		
Guaranteed Notes (long-term)	2,368,775,684	2,551,112,594
Guaranteed Notes (short-term)	800,024,483	805,438,977
<b>Total</b>	<b>3,168,800,167</b>	<b>3,356,551,571</b>

Guaranteed Notes are traded in the market. The estimated fair value, of both Debtors and Guaranteed Notes, is determined based on the market price of the Notes multiplied by the nominal amount of each note.

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's results or the value of its holdings of financial instruments. The objective of market risk management is to manage and control exposure within acceptable limits while optimizing the return on risk.

Below is a detailed description of the individual market risks and the Company's policies to manage such risks.

#### Interest rate risk

The Company's strategy is to undertake minimum interest rate risk by matching interest rate payable to its creditors with interest rate receivable from its debtors. If this is not possible the company may enter into hedging transactions.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	2014 Carrying Amount	2013 Carrying Amount
<b>Fixed rate instruments</b>		
Financial assets	3,150,082,995	3,062,496,000
Financial liabilities	3,142,715,143	3,051,226,334
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

#### Currency risk

Currency risk is the risk that the fair values or the cash flows of a financial instrument fluctuate due to foreign currency changes.

The Company has no material exposure in foreign currency, as both its borrowings and loans granted are in Euro.

#### **14. Ultimate parent company**

Hellenic Telecommunications Organisation S.A. (OTE) is the parent company of the Company. OTE is a company incorporated in Greece, with its registered seat at 99 Kifissias Avenue, 151 24 Athens. Effective February 6, 2009 OTE S.A.'s financial statements are included in the consolidated financial statements of Deutsche Telekom AG which has a direct participation in OTE's paid up share capital. Deutsche Telekom AG is located at Bonn, Germany.

**15. Events after the Balance Sheet Date**Relevant to transactions with third parties

In January and February 2015, the Company repurchased a total nominal amount of €49.8 million under the €787.7 million Notes maturing February 2015. The Notes were surrendered for cancellation. On February 12, 2015, the Company proceeded with the full redemption of the remaining outstanding amount of € 382.6 million.

In January and March 2015, the Company repurchased a total nominal amount of €27.2 million under the €900 million Notes maturing May 2016. The Notes were surrendered for cancellation. As a result, the outstanding nominal amount of the € 900 million Notes is €629.5 million.

Relevant to intragroup transactions

In January and February 2015, OTE proceeded with partial prepayments of a total nominal amount of €49.8 million under the €600 million loan from OTE PLC maturing on February 11, 2015. In February OTE proceeded with the full repayment of the remaining outstanding amount of €382.6.

In January 2015, COSMOTE S.A. proceeded with a partial prepayment of a total nominal amount of €24.3 million under the 895 million bond maturing 19 May 2016. As a result, the outstanding nominal amount of the bond is €252.3 million.

On February 12, 2015, the Company proceeded with the issuance of €123.7 million Floating Rate Unsecured Loan Notes (Deed Poll).

On February 20, 2015, OTE proceeded with full prepayment of the €51 million intercompany bond maturing on May 29, 2015 along with the payment of the accrued interest.

On February 20, 2015, COSMOTE proceeded with full prepayment of the € 53 million intercompany bond maturing on May 29, 2015 along with the payment of the accrued interest.

In February and March 2015, OTE proceeded with total prepayments of a nominal amount of €122.9 million under the €170.7 million intercompany zero coupon bond maturing on December 10, 2015.

On March 6, 2015, COSMOTE proceeded with a partial prepayment of a nominal amount of €40 million intercompany bond maturing on December 15, 2015 along with the payment of the accrued interest.

On March 12, 2015, the Company proceeded with a partial prepayment of a nominal amount of €46.2 million under the €78.7 million Guaranteed zero-coupon Notes maturing in December 2015.

On March 18, 2015, the Company proceeded with a full repayment of the €105.7 million Guaranteed zero-coupon Notes maturing in May 2015.

On March 18, 2015, the Company proceeded with a partial repayment of a nominal amount of €122.9 million under the €170.7 million Guaranteed zero-coupon Notes maturing in December 2015.

On March 18, 2015, the Company proceeded with a full repayment of the €3 million Guaranteed zero-coupon Notes maturing in September 2015.

On March 18, 2015, EVALUE S.A. proceeded with the full repayment of the €3 million intercompany zero coupon bond maturing in September 2015.

On March 19, 2015, the Company proceeded with the issuance of €222.7 million Floating Rate Unsecured Loan Notes (Deed Poll).

On March 20, 2015, OTE S.A. proceeded with a partial prepayment of a nominal amount of €2.85 million under the €575 million bond maturing 19 May 2016 along with accrued interest. As a result, the outstanding nominal amount of the bond is €377.2 million.

## **OTE PLC**

### **Notes to the financial statements for the year ended 31 December 2014**

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#### Other

On January 21, 2015, Mr. Andreas Demosthenous was appointed as director of the Company in replacement of Mr. Martin Mc Dermott who resigned. On March 5, 2015, Mr. Anastasios Tzoulas and Ms. Mignon Clarke were appointed as directors of the Company.

On February 16, 2015, Standard and Poor's Credit Market Services downgraded the long-term corporate credit rating of OTE to BB- from BB.