



**OTE PLC**

*(incorporated with limited liability in England and Wales)*

**GUARANTEED BY**

**HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.**

*(incorporated with limited liability in the Hellenic Republic)*

**EURO 6,500,000,000**

**GLOBAL MEDIUM TERM NOTE PROGRAMME**

This base prospectus supplement (the "**Supplement**") constitutes a supplement within the meaning of Art. 16.1 of Directive 2003/71/EC of 4 November 2003, is prepared in connection with the Euro 6,500,000,000 Global Medium-Term Note Programme of OTE PLC (the "**Issuer**") guaranteed by Hellenic Telecommunications Organization S.A. (the "**Guarantor**") and is supplemental to, forms part of, and must be read in conjunction with, the base prospectus dated 18 January 2011, as supplemented by the base prospectus supplement dated 8 February 2011 (together the "**Base Prospectus**") prepared in connection with the Programme.

Capitalised terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under the Luxembourg Act dated 10 July 2005 relating to Prospectuses for Securities (the "**Luxembourg Law on Prospectuses for Securities**"), to approve this document as a supplement to the Base Prospectus for the purposes of Article 13.1 of the Luxembourg Law on Prospectuses for Securities. The CSSF has approved this Supplement in accordance with Article 7.1 of the Luxembourg Law on Prospectuses for Securities.

This Supplement constitutes neither an offer to sell nor a solicitation of an offer to buy any Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

24 March 2011

## IMPORTANT NOTICES

*The information herein supplements and, to the extent inconsistent therewith, replaces the information about the Issuer and the Guarantor contained in the Base Prospectus. Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since its publication.*

Each of OTE PLC (the "**Issuer**") and Hellenic Telecommunications Organization S.A. (the "**Guarantor**") accepts responsibility for the information contained in this document and, to the best of the knowledge and belief of each of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## AMENDMENTS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

1. The addition of the following new paragraph (10) on page 26 of the Base Prospectus in the section headed "*Information Incorporated by Reference*":

"(10) the audited consolidated and separate IFRS financial statements (including the auditor's report thereon and notes thereto) of the Guarantor in respect of the year ended 31 December 2010 (set out in the Audited Financial Statements (separate and consolidated) for the year ended 31 December 2010 of the Guarantor) including:

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2. The deletion of Guido Kerkhoff from the table of directors set out on page 101 of the Base Prospectus and its replacement with the following:

"Roland Mahler.....Director                      Non-executive                      17 March 2011                      2012                      62";

The deletion of the second paragraph on page 102 of the Base Prospectus and its replacement with the following:

"*Roland Mahler* is a graduate of the Technical University of Darmstadt (Germany). He began his career at Deutsche Bundespost. Five years later he joined the Federal Ministry of Post and Telecommunications where he was responsible for companies operating satellite communications - Inmarsat and Eutelsat. He has held the position of Personal Secretary to the State Secretary. In 1990 Mr. Mahler supervised radiotelephony services at Deutsche Telekom. In 1993, he joined T-Mobile as Marketing Director. He has also previously held the position of Executive Vice-President for Strategy and New Business at T-Mobile and from 2000 to 2010, he acted as Managing Director of T-Mobile Czech Republic. Roland Mahler currently leads the Europe Board Area of Deutsche Telekom on an interim basis."; and

The deletion of the third paragraph under the heading "Corporate Governanace" on page 103 of the Base Prospectus and its replacement with the following:

"Greek law does not require Greek companies to have a nominating/corporate governance committee. The Guarantor does not have a remuneration committee, since this is not required under Greek law. Pursuant to the Greek Companies Law, the compensation of the Guarantor's Directors is determined by the General Assembly. The Guarantor has, however, established a Compensation and Human Resources Committee which is responsible for determining its human resource policies, including its remuneration and incentives policy. This committee is comprised of three members, two non-executive Directors (one of which is appointed Chairman) and one executive Director. Following the resignation of Mr. Guido Kerkhoff, who was a member of this committee until 16 March 2011 as a non-executive Director, the committee is currently operating with one non-executive Director (Mr. Nikolaos Karamouzis, Chairman) and one executive director (Mr. Kevin Copp), with a further non-executive Director to be appointed to the committee at the next Board of Directors meeting, As required by the HCMC Decision No. 5/204/14.11.2000 and Greek Law 3016/2002, as amended and in effect, the Guarantor's internal audit department reviews the legality of remuneration and benefits of its directors and senior managers, within their capacity as officials of the OTE parent company."

3. The addition of the following new paragraph at the start of the section headed "*Senior Management*" on page 102 of the Base Prospectus:

"On February 16, 2011, the Guarantor proceeded with a series of wide ranging management changes aimed at strengthening its organisation and enhancing its functioning as an integrated Group"; and

the deletion of the table of senior managers set out on page 103 of the Base Prospectus and its replacement with the following:

<u>Name</u>	<u>Position</u>	<u>Age</u>
Michael Tsamaz .....	Chairman and Managing Director, managing Director of Cosmote, Managing Director of OTE Investment Services	51
Kevin Copp .....	Group Chief Financial Officer	46
Yorgos Ioannidis .....	Managing Director of RomTelecom	60
Elias Drakopoulos .....	Chief Technology and Operations Officer	46
	Chief Technology Officer	
	Chief Regional Operations Officer	
George Mavrakis .....	Chief Financial Officer	46
Loizos Kyzas .....	Chief Human Resources Officer	59
Maria Rontogianni .....	Chief Internal Audit Officer	37
Panagiotis Sarandopoulos .....	Chief Officer of National Wholesale Services	55
Konstantinos Ploumpis .....	Chief Regulatory Affairs Officer	42
Irini Nikolaidi .....	OTE and OTE Group General Counsel, Executive Director of Legal and Regulatory Affairs of OTE Group, General Director of Legal Affairs of OTE	43
Aristodimos Dimitriadis .....	Group Chief Compliance Officer	45
Zacharias Piperidis .....	Group Chief Operating Officer, Chief Commercial Officer of Enterprise and Business Services, Chief Commercial Officer for Residential Customers	43
Athanasios Stratos .....	Group Director of Customer Service	43
Konstantinos Liamidis .....	Group Chief Officer of International Affairs	59
Georgios Athanasopoulos .....	Group Chief Information Technology Officer and Chief Information Technology Officer	48

4. The deletion of the final paragraph on page 24 and the final paragraph on page 116 of the Base Prospectus, and their replacement (in each case) with the following:

"The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above."

5. The text of the Risk Factor set out on page 13 under the heading "*Financial market conditions may impair the Guarantor's ability to obtain financing and increase its cost of debt and may have an adverse effect on its financial condition*" shall be deleted and replaced with the following:

"Financial market conditions (and in particular adverse financial market conditions associated with macroeconomic conditions in Greece) may challenge the Guarantor's ability to obtain financing and increase its cost of debt.

In particular, the Guarantor has undertaken and pursued refinancing activities in 2011 due to the maturity of Euro 1.4 billion in nominal value of medium term notes in February 2011 (the "**February Notes**") and the upcoming maturity of Euro 650 million in nominal value of medium term notes in November 2011 (the "**November Notes**"). The debt represented by the February Notes and the November Notes was classified under the "short-term portion of long-term borrowings" in the Guarantor's consolidated statement of financial position as of 31 December 2010 which is incorporated by reference into this Base Prospectus (see also "*Recent Developments – Reclassification of Long-term debt*"), contributing to net current liabilities of approximately Euro 1,507.8 million as of 31 December 2010.

On 9 February 2011, the Guarantor signed an agreement for a Euro 900 million revolving facility (the "**Bond Loan**") with a consortium of 8 Greek and 8 International Banks. The facility has a tenor of two years, with an extension option of one further year and bears a floating interest rate with the margin being dependant on a) the Guarantor's credit rating assigned by Moody's and Standard & Poors and b) the utilisation level of the facility. The Guarantor has drawn down Euro 600 million of this facility. The funds drawn under this facility, in conjunction with a backstop facility of Euro 332 million and available cash reserves, were used to repay the February Notes. The remaining Euro 300 million commitment under the Bond Loan is undrawn as a liquidity reserve.

On 31 January 2011 the Issuer also signed a Euro 150 million revolving credit facility with Deutsche Telekom (guaranteed by the Guarantor) maturing on 31 January 2012 which remains undrawn as a liquidity reserve. Although the Group's existing liquidity reserves are sufficient to cover the repayment of the November Notes, the Guarantor continues to consider its financing options, including further capital markets issuance, in order to address subsequent bond maturities and to improve its debt maturity profile.

If the capital and credit market deteriorate further and the availability of funds becomes limited, then the Guarantor may incur increased interest rates and other costs associated with debt financing and its ability to access the capital markets or borrow money may be impaired, which could have a material adverse effect on its financial condition."

6. The three paragraphs under the heading "Third Quarter Results" on page 108 of the Base Prospectus shall be deleted and replaced with the following:

**Fourth Quarter Results and Results for the full year ended 31 December 2010**

The Guarantor experienced a decline in consolidated revenues of 8 per cent. in 2010 as compared to 2009 (consolidated revenues for the fourth quarter declined by 12.4 per cent. compared to the same period in 2009), as a result of its fixed-line operations in Greece and Romania experiencing a loss of PSTN and ISDN channels, an acceleration (especially during the fourth quarter) in the rate of disconnection compared to prior periods and as Greek consumers and businesses alike increasingly feel the pressure from deteriorating economic conditions (including a GDP contraction in the fourth quarter of 6.6 per cent on an annualised basis) and curtail discretionary spending. In addition, uncompetitive tariffs continue to be imposed on the Guarantor by EETT, compounding the unfavourable macroeconomic circumstances. Nearly 134,000 OTE PSTN connections and ISDN channels were disconnected in the fourth quarter as customers adjusted their spending across all categories and switched to competitive offers that OTE is precluded by EETT from matching.

The Guarantor's consolidated profit before tax for the full year 2010 declined by 87.4 per cent compared to 2009, whilst on an after-tax basis the Guarantor recorded a loss of Euro 139 million, as compared to a profit of Euro 407.9 million in 2009. In addition to the factors affecting the Guarantor's revenues mentioned above, the decline in profitability was principally caused by:

- (i) a special tax contribution imposed by Greek Law 3845/2010 (see – "*Macroeconomic conditions in Greece and the fiscal position of the Greek State have deteriorated markedly and this could have a material adverse effect on the Guarantor's business, results of operations, financial condition and prospects*");
- (ii) the additional early retirement costs associated with the Guarantor's voluntary retirement programs (see "*Risk Factors – The Guarantor may be required to make additional contributions, which significantly exceed its initial estimates, to IKA – ETAM concerning the Voluntary Retirement Scheme which was first implemented in 2005*");
- (iii) the impairment loss relating to the Guarantor's investment in RomTelecom (see "*Risk Factors – The financial condition of the Guarantor's investments in some of its international Subsidiaries could cause the Guarantor to incur losses at Group level*"); and
- (iv) additional taxes imposed by the tax authorities during the tax audit for the fiscal years 2006-2008.

The Guarantor's management expects that the trends that have impacted its revenues and profitability in 2010 will continue during 2011. In particular, preliminary Ministry of Finance data for the full year 2010 has indicated that Greece's gross domestic product fell by 1.4 per cent. during the final quarter of 2010, resulting in annual GDP contraction of 4.5 per cent. compared to previous estimates of 4.2 per cent. Management will pursue and intensify efforts aimed at containing revenue erosion, preserving profitability and cash flow generation, and accelerating the transformation of the organisation.

On 28 February 2011, the Guarantor announced that it has decided to adopt a set of specific measures (including job cuts), effective immediately, aiming to reduce its operating costs and to ensure its viability. These measures have been made necessary by the tough market conditions affecting the Guarantor, as well as the Guarantor's financial results for the year 2010. Savings from these cost-cutting measures are estimated to be around 32 million euros.

7. The first paragraph of the risk factor headed: "The possible triggering of change of control provisions in the Guarantor's existing indebtedness could potentially have a material adverse effect on the Guarantor's business results, operations, financial condition and prospects" on page 17 of the Base Prospectus shall be deleted and replaced with the following:

"Two tranches of the existing Notes of the Issuer having an aggregate principal amount of Euro 1.5 billion (made up of Euro 0.9 billion due May 2016 and Euro 0.6. billion due February 2015) and the

corresponding intragroup lendings, contain change of control provisions to the effect that if an entity other than the Hellenic Republic acquires an interest in more than 50 per cent. of the share capital or voting rights of the Guarantor and this results in a ratings downgrade, then the relevant noteholders have the option to require the Issuer to redeem the Notes.

In addition, the "Bond Loan" contains a change of control clause which is triggered, if an entity (other than Deutsche Telekom, Deutsche Telekom acting together with the Greek State, or any other telecommunications operator (based in Greece or abroad) with a rating equivalent or better than Deutsche Telekom at the time of the acquisition) gains control of the Guarantor. In the case of a change of control, the relevant creditors have the option to require the Guarantor to redeem the Bond Loan."

8. The text of the risk factor on page 18 headed: "The financial condition of the Guarantor's investments in some of its international Subsidiaries could cause the Guarantor to incur losses at Group level" shall be deleted and replaced with the following:

"In conjunction with conditions in many markets outside Greece in which the Guarantor has invested, the Guarantor faces challenges regarding the financial outlook of some of its Subsidiaries. In 2010, the Romanian consumer environment was once again negatively impacted by decreasing household income, higher sales tax, and rising unemployment, as well as a higher than expected rate of inflation. This created increasing pressure on some of the Guarantor's Romanian Subsidiaries' revenues and profitability during 2010, resulting in impairments which were recorded against the Guarantor's consolidated fourth quarter income statement (see "*Recent Developments - Fourth Quarter Results and Preliminary Results for the full year ended 31 December 2010*"). If the financial outlook for the Guarantor's subsidiaries continues to deteriorate, the Guarantor may incur further impairments which in turn may have a material adverse effect on its consolidated financial statements."

9. On 8 March 2011, Standard & Poor's announced that it has lowered its long-term corporate credit rating on the Guarantor to BB from BBB-. The long-term rating (together with the issue ratings on the Guarantor's and the Issuer's senior unsecured debt) remains on CreditWatch with negative implications. On 15 March 2011, Moody's Investor Service announced that it has lowered its long-term corporate credit rating on the Guarantor, as well as its rating of the Notes, to Baa3 from Baa2 and that the ratings remain on review for a possible downgrade.

Accordingly the Risk Factor on pages 12-13 of the Base Prospectus headed: "*Any future ratings downgrade may impair the Guarantor's ability to obtain financing and increase its cost of debt and may have an adverse effect on its financial condition*", shall be deleted and replaced with the following:

"As of the date of this Supplement, the long-term ratings assigned to the Guarantor are BB by Standard & Poor's (on CreditWatch with negative implications) and Baa3 by Moody's Investor Service ("**Moody's**") (on review for a possible downgrade). The downgrade of the Guarantor's long-term rating to BB by Standard & Poor's and to Baa3 by Moody's does not trigger any mandatory debt prepayment. It will however cause an increase in the Group's interest expense, as a portion of the Group's debt includes ratings grid or step-up clauses, which provide for the cost of debt service to increase in the event of a ratings downgrade. There is no guarantee that the ratings assigned to the Guarantor will not be downgraded further, nor can the Guarantor be certain that further potential downgrades in the credit rating of the Greek State will not result in downgrades in its own credit rating. Any future ratings downgrade may impair the Guarantor's ability to obtain financing and increase its cost of debt and may have a material adverse effect on its business, results of operations, financial condition and prospects",

and the paragraph headed "*Rating Agencies*" on page 104 of the Base Prospectus shall be deleted and replaced with the following:

"As of the date of this Supplement, the long-term ratings assigned to the Guarantor are BB by Standard & Poor's (on CreditWatch with negative implications) and Baa2 by Moody's. On 12 January 2011 Moody's credit rating on the Guarantor was placed on review for a possible downgrade. Each of Moody's and Standard & Poor's is established in the European Union and has applied for registration under the CRA Regulations, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority."

10. The first two paragraphs of the Risk Factor headed: "Macroeconomic conditions in Greece and the fiscal position of the Greek State have deteriorated markedly and this could have a material adverse effect on the Guarantor's business, results of operations, financial condition and prospects" on page 11 of the Base Prospectus, and the first paragraph on page 12 of the Base Prospectus, shall be deleted and replaced with the following:

"The economy of Greece, where the great majority of the Group's revenues are derived (approximately 70.0 per cent. in 2010, 2009 and 2008) and operations are located, deteriorated markedly starting as of late 2008, through 2009 and particularly in early 2010. In particular, the GDP growth rate in Greece slowed down significantly in 2008 and 2009 and turned to negative growth rates as of early 2010 (according to Eurostat). Preliminary Ministry of Finance data for the full year 2010 has indicated that Greece's gross domestic product fell by 1.4 per cent. during the final quarter of 2010, resulting in annual GDP contraction of 4.5 per cent. compared to previous estimates of 4.2 per cent.

In addition, starting from late 2008, and particularly as of late 2009 and in early 2010, the Greek State reported a significant deterioration in the levels of budget deficit (15.4 per cent. for 2009 according to the Greek Ministry of Finance) and total public debt and experienced a resulting significant increase in its cost of borrowing. Over this period, credit ratings assigned by major credit rating agencies to debt issued by the Greek State have been downgraded repeatedly (Standard & Poor's Ratings Services', a division of the McGraw Hill Companies Inc. ("**Standard & Poors**") current credit rating is BB+ with a negative outlook, and on 7 March 2011 Moody's Investor Service also cut its rating on the Greek government's sovereign debt from Ba1 to B1, with a negative outlook), and concerns were expressed in connection with the ability of the Greek State to refinance its maturing public debt with funds raised in the public debt markets. As a result, the cost for the Greek State of raising debt financing in the bond markets experienced a sharp increase over the period from October 2009 to April 2010. In April 2010, the European Union announced the establishment, in conjunction with the International Monetary Fund ("**IMF**"), of a EUR 110 billion package of financial support for the Greek State, contemplating availability of bilateral loans to be provided by EU countries and the IMF to the Greek State for three years starting in 2010. In May 2010, the Greek State applied for the activation of the package in an effort to avoid debt restructuring or default. The program made available to Greece in May 2010 Euro 5.5 billion from the IMF and Euro 14.5 billion from the EU, out of a total amount of Euro 30 billion from the IMF and Euro 80 billion from the EU to be disbursed over a period of 3 years. The first review was successfully completed in September 2010 and additional funds of Euro 2.5 billion from the IMF and Euro 6.5 billion from the EU were made available. Following the second review, the IMF approved its third Euro 2.5 billion portion on 17 December 2010 and proceeded to make an immediate disbursement of the full amount, and the Euro-area countries released their corresponding Euro 6.5 billion portion on 19 January 2011. The European Commission and IMF carried out a third review mission in February 2011. Following the third review, an additional Euro 4.1 billion was made available by the IMF on 14 March 2011, with a further Euro 10.9 billion of funds expected to be made available by the EU in March 2011. It remains however unclear what further amounts the Greek State may seek to draw-down in the future and when, or whether the fiscal measures adopted by the Greek State will have the expected results, or whether the Greek State will be required to adopt further restrictive fiscal measures", and

"The Guarantor expects that the weak fiscal position of the Greek State and the implementation of necessary fiscal consolidation measures could have a material adverse effect on macroeconomic conditions in Greece in the short and medium-term, including negative prospects for Greek GDP growth in 2010 (preliminary Ministry of Finance data for the full year 2010 has indicated that Greece's gross domestic product fell by 1.4 per cent. during the final quarter of 2010, resulting in annual GDP contraction of 4.5 per cent. compared to previous estimates of 4.2 per cent) and a reduction of disposable income of pensioners and employees in large parts of the economy. In addition, the restricted ability of Greek banks to provide business and retail financing at attractive terms, resulting from the current conditions, is expected to exacerbate these conditions."

11. The final sentence of the paragraph under the heading "*Legal Proceedings*" on page 106 of the Base Prospectus shall be amended by the replacement of the reference to "Note 29 to the Guarantor's consolidated annual financial statements as of 31 December 2009" with a reference to "Note 30 of the Guarantor's consolidated annual financial statements as of 31 December 2010".

## GENERAL INFORMATION

### **Litigation**

Save as disclosed in the Base Prospectus, as supplemented by this Supplement, neither the Issuer, the Guarantor nor any of their subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Guarantor or Issuer is aware) which may have or have had in the 12 months preceding the date of this document significant effects on the financial position or profitability of the Issuer, or of the Guarantor and its subsidiaries.

### **Significant or Material Change**

Save as disclosed in the Base Prospectus, as supplemented by this Supplement, there has been no significant change in the financial or trading position of the Issuer since 30 June 2010, or in the financial or trading position of the Guarantor and its subsidiaries since 31 December 2010.

Except as disclosed in the Base Prospectus, as supplemented by this Supplement, there has been no material adverse change in the prospects of the Issuer since 31 December 2009, or of the Guarantor since 31 December 2010.

### **Document Available for Inspection**

So long as the Programme remains in effect or any Notes shall be outstanding, copies of this Supplement will be available (i) during normal business hours without charge from the specified office of the Fiscal Agent and the Paying Agent in Luxembourg; and (ii) on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

### **General**

To the extent that there is any inconsistency between any statement in this Supplement and any statement in or incorporated by reference into the Base Prospectus, the statements in this Supplement shall prevail.

In accordance with Article 13 paragraph 2 of the Luxembourg Law on Prospectuses for Securities, investors who have already agreed to purchase or subscribe for Notes before this Supplement is published have the right, exercisable within a minimum of two working days from the date of publication of this Supplement, to withdraw their acceptances.

**REGISTERED OFFICE OF THE ISSUER**

**OTE PLC**  
c/o Wilmington Trust SP Services (London) Limited  
6 Broad Street Place  
Fifth Floor  
London EC2M 7JH

**REGISTERED OFFICE OF THE GUARANTOR**

**Hellenic Telecommunications Organization S.A.**  
99 Kifissias Avenue  
GR 151 24 Amaroussion  
Athens  
Greece

**FISCAL AGENT**

**The Bank of New York Mellon**  
One Canada Square  
London E14 5AL

**PAYING AGENTS**

**The Bank of New York Mellon**  
One Canada Square  
London E14 5AL

**The Bank of New York Mellon**  
Corporate Trust Department 21st  
West  
101 Barclay Street  
New York  
  
New York 10286

**Dexia Banque Internationale á  
Luxembourg société anonyme**  
69, route d'Esch  
L-2953 Luxembourg

**REGISTRAR AND EXCHANGE AGENT**

**The Bank of New York Mellon**  
Corporate Trust Department  
21st West  
101 Barclay Street  
New York  
New York 10286

**TRANSFER AGENTS**

**The Bank of New York Mellon**  
Corporate Trust Department  
21<sup>st</sup> West  
101 Barclay Street  
New York  
New York 10286

**Dexia Banque Internationale à Luxembourg société  
anonyme**  
69, route d'Esch  
L-2953 Luxembourg