

OTE

OTE in Focus

OTE: The largest telecoms player in
Europe's fastest-growing region

November 2005

- | Corporate Profile
- | Financial and Operational Highlights
- | Outlook
- | Appendices

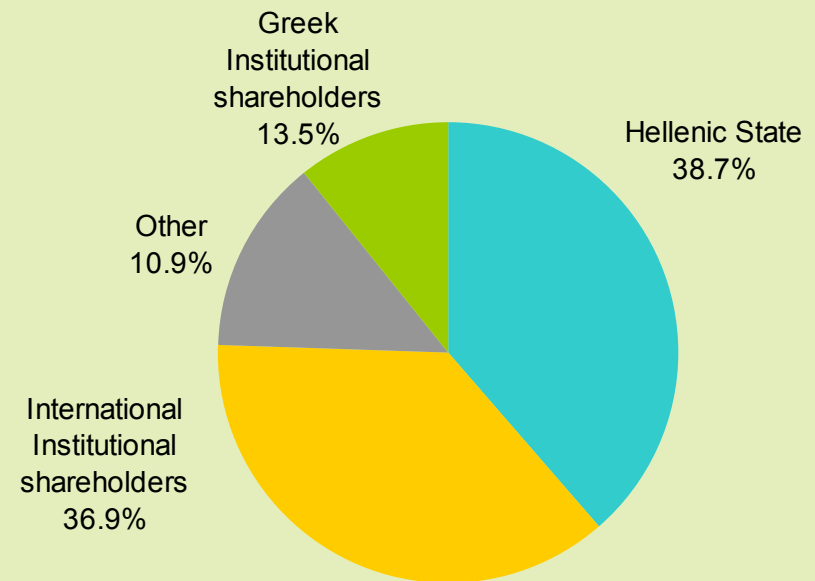
OTE

| Corporate Profile

OTE Overview

- Leading full-service telecommunications operator
- Group revenue of €5.2 billion (FY 2004)
- Listed on Athens (HTO GA), London (OTES LI), and New York Stock Exchange (OTE)
- Market capitalization: over \$10 billion (November 2005)

Shareholder Structure (30 Sep 2005)



OTE

Key Financial Figures

US GAAP € millions	2003	2004	H1 05 (unaudited)
Equity	3,590.3	3,422.6	3,692.2
Net Debt	2,679.7	2,313.4	2,251.5
Total Assets	10,424.9	10,217.6	10,481.8
Revenues	4,914.3	5,184.0	2,661.3
Operating Income before D&A	1,928.6	1,661.0	942.5
Net Income	410.7	171.3	209.8
CAPEX as % of Revenues	19.9%	16.3%	8.9%
EPS	0.84	0.35	0.43
Market Cap (EoP)	5,282.5	6,494.4	7,879.8

OTE

The Voice, Mobile and Data Leader in Southeast Europe

GREECE

Incumbent/ Leader

Fixed-line market share (voice): 75%

Customers (000): 4,650

Internet Subscribers (000): 365

ISP market share: 42%

Mobile market share: 38%

Customers (000): 4,380

BULGARIA

Challenger

Mobile market share: 36%

Customers (000): 1,936

ROMANIA

Incumbent/ Leader

Fixed-line market share (voice): 97%

Internet Subscribers(000): 360

ISP market share: 43%

Mobile relaunch

Mobile market share: 1%

Customers (000): 90



FYROM

Challenger

Mobile market share: 29%

Customers (000): 330

ALBANIA

Dominant Leader

Mobile market share: 52%

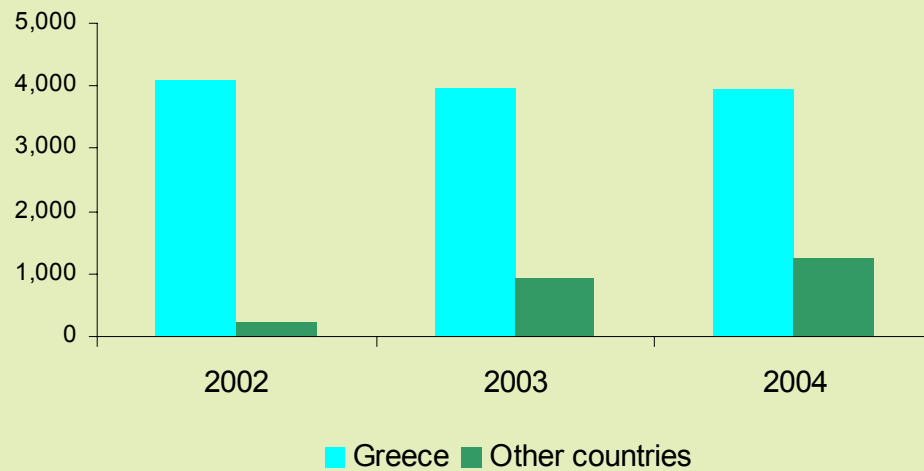
Customers (000): 731

OTE is also present in Armenia and Serbia

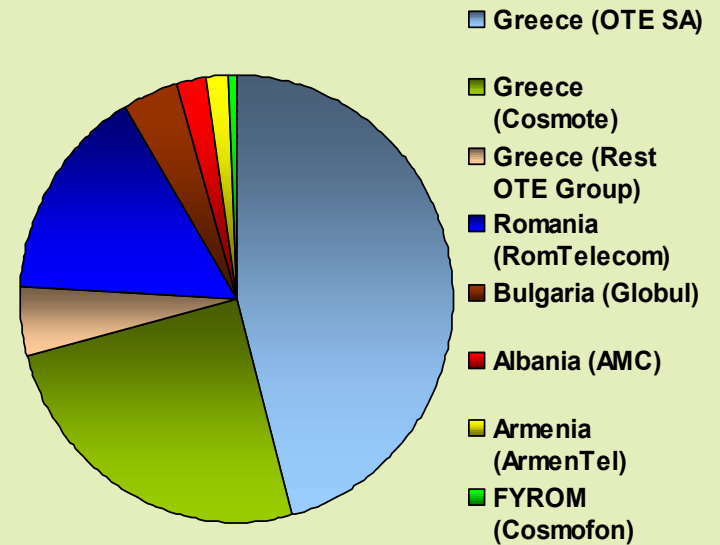
OTE

OTE Group Revenue

Revenue Mix



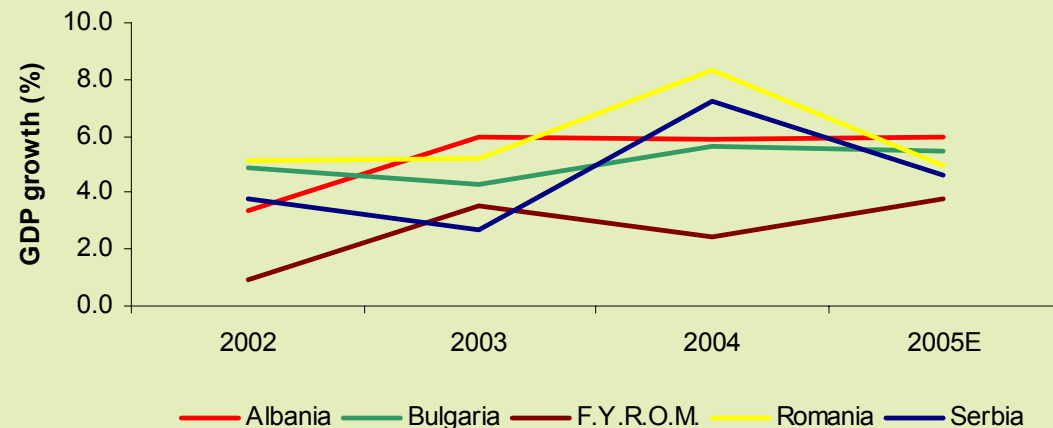
Revenue Mix by Region (1H05)



- Fully integrated operator
- Large exposure to mobile assets
- Additional growth upside from leading positions in SEE region

Why Southeast European exposure matters

- Southeast Europe comprises a series of rapidly developing countries whose GNP growth is outpacing the rest of the world
- Their dynamic, well-educated populations are embracing market economics
- Greece and Greek companies have long enjoyed close economic ties with many of the countries of Southeast Europe
- The outdated infrastructure inherited from years of Communist regime is rapidly being replaced by state-of-the-art technology
- Bulgaria and Romania will enter the EU in 2007



OTE Group Strategy 2005-2007

Greek Fixed Line

- Contain revenue erosion
 - Advanced product and services meeting customer demands
 - Improve customer relationships
- Drastically reduce cost base:
 - Productivity - bring number of lines per employee up to best practice
 - Cut Operating Expenses

Greek Mobile

- Retain leadership in maturing Greek market

International Mobile

- Leverage broad footprint in SEE
- Accelerate development and profitability

Romanian Fixed Line

- Complete reorganization and transformation plan
- Migrate to new generation network

Group

- Exploit synergies from recent corporate streamlining initiatives
- Cultivate uniform OTE Group culture

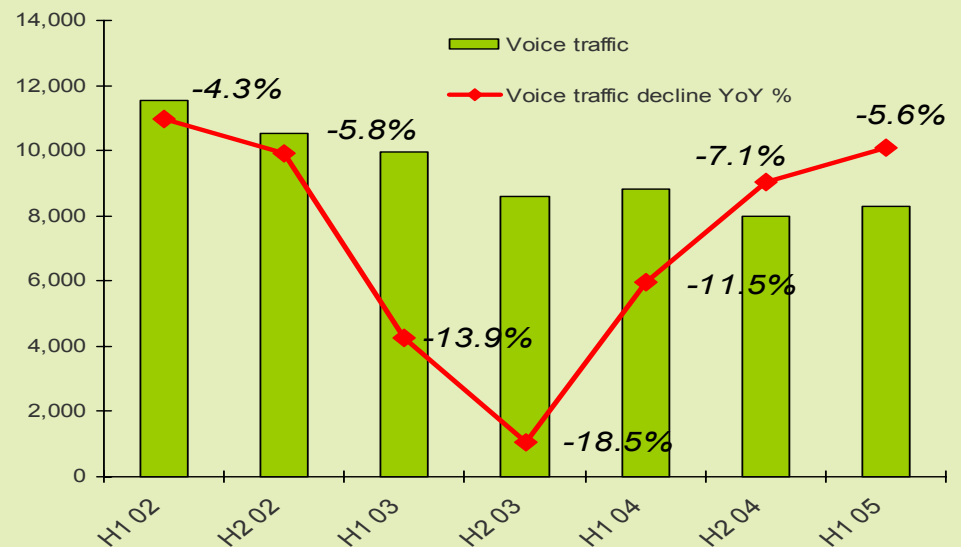
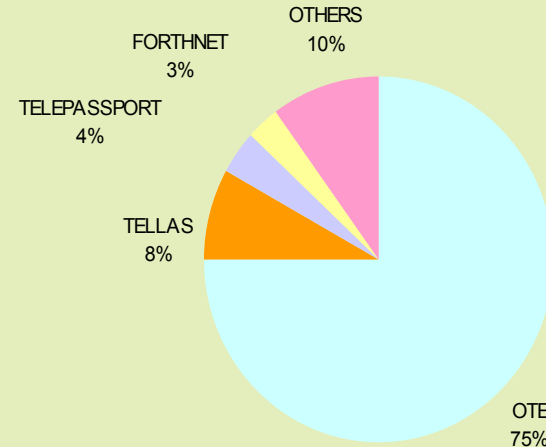
OTE

| Financial & Operational Highlights

OTE

Greek Fixed Line Competitive Environment

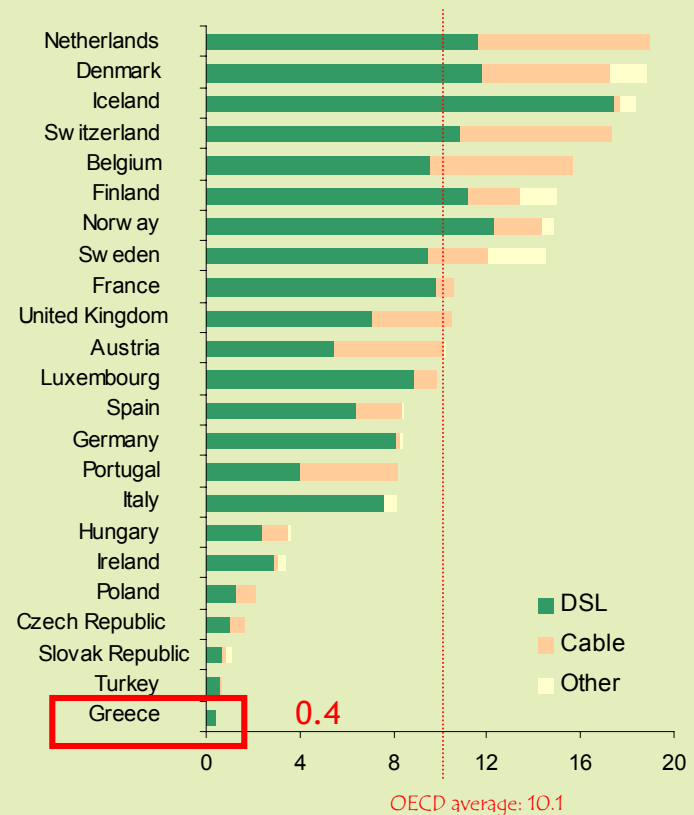
- Greek market deregulated since 2001
- Significant traffic erosion in 2003 and 2004 due to:
 - Aggressive competition from new entrants
 - Fixed-to-mobile substitution
 - Regulatory decisions
- Slowdown in erosion lately due to:
 - New OTE discount packages
 - Lack of investment from alternative carriers
 - Uncertain regulatory environment
- Market share has remained stable at 75% in recent quarters



Greek Telephony Development: Internet/ Broadband growth potential

- Broadband penetration lowest of all OECD countries
- Growing contribution to Group revenues from Broadband/ internet usage
- Coordinated efforts to boost PC and internet penetration, currently way below EU average at 26% and 20% respectively for total population aged 15+

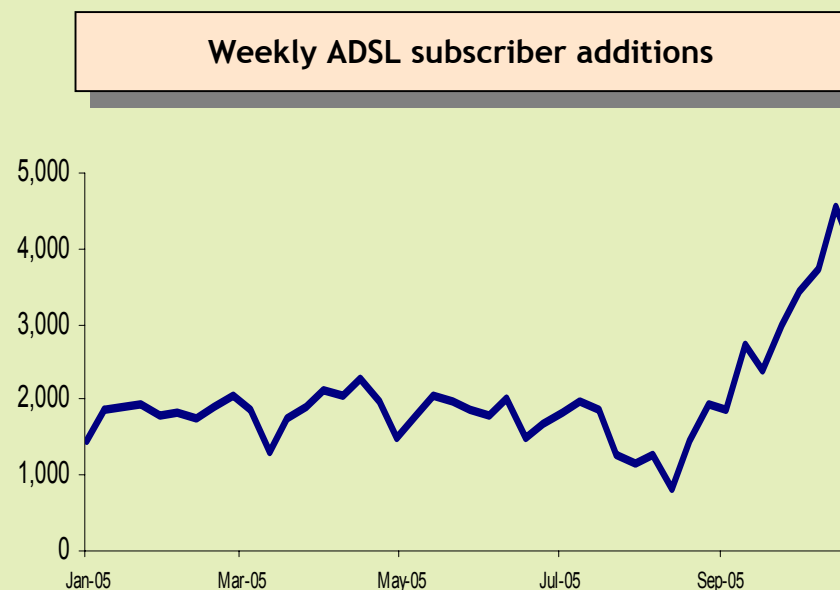
Broadband Penetration (per 100 inhabitants)



Source: OECD December 2004

Greek Telephony Development: Broadband gaining momentum

- Broadband takeup finally gaining pace
- Since September 20, when prices for the various ADSL offerings were reduced by 20% to 49%, weekly additions more than doubled
- Increased awareness also fuelling market growth
- 2005 year-end target: 130,000 subscribers (from 43,800 at January 1, 2005)
- OTE expects the size of the broadband market to double in size each year for the next two years



OTE

Greek Fixed Line Cost-cutting potential

- OTE is focused on improving Opex efficiency and sustaining Capex rationalization across the business
- The implementation of the Voluntary Retirement Plan will bring significant long term labor and other cost savings
- Currently 26 active projects with objective of reducing costs and streamlining operations

Staff cost as a proportion of fixed line revenue

	2004
OTE	30.3%
Swisscom	20.9%
Portugal Telecom	20.0%
KPN	20.0%
Belgacom	26.8%
Telekom Austria	23.3%

Source: Company 2004 results

'05/'06 Voluntary Retirement Plan

OTE offered voluntary retirement to all 6,700 fixed-line employees who were less than 8 years away from normal retirement age. By October 14, 2005, the final date of the application submission period, more than 5,500 employees elected to take voluntary retirement

Total Estimated Cost	Around € 250,000 per employee
----------------------	-------------------------------

Funding	<ul style="list-style-type: none">▪ From OTE cash flows▪ State contribution subject to EU approval: Govt will contribute 4% of OTE share capital to pension funds
---------	--

Timing	1,000 employees will retire in 05, and the balance in early 2006
--------	--

OTE Fixed Line Reorganization Plan

Main targets:

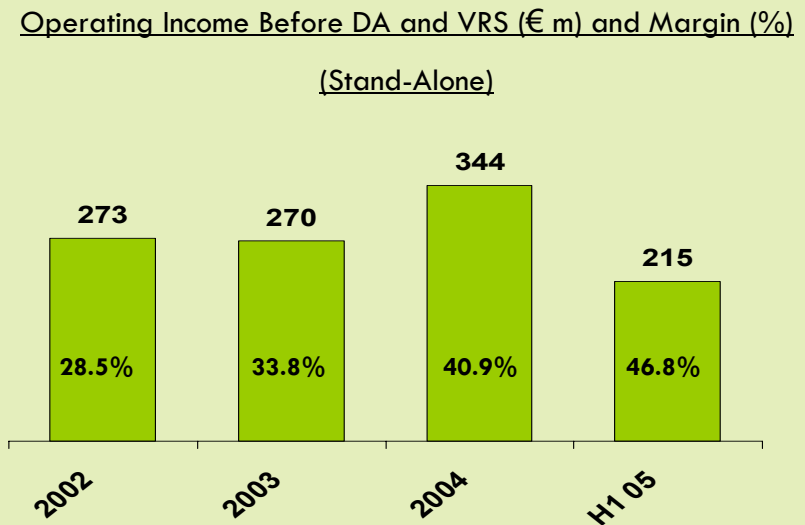
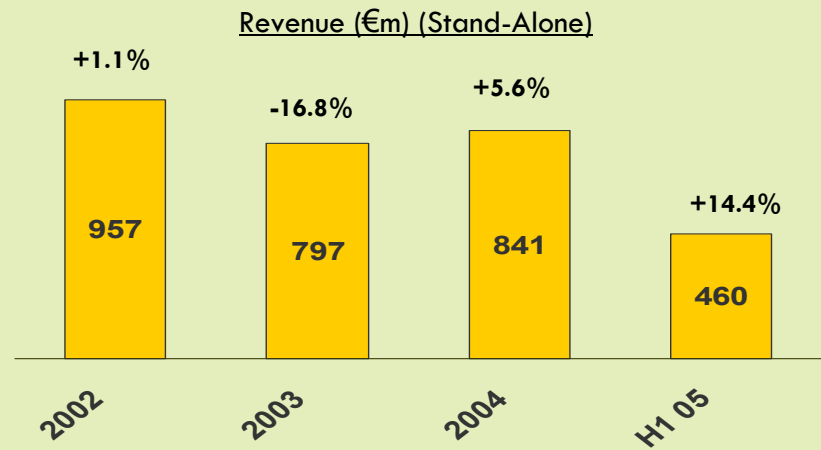
- Operating expense reduction
- Improvement in customer satisfaction
- Reduction of organizational complexity

Implemented through:

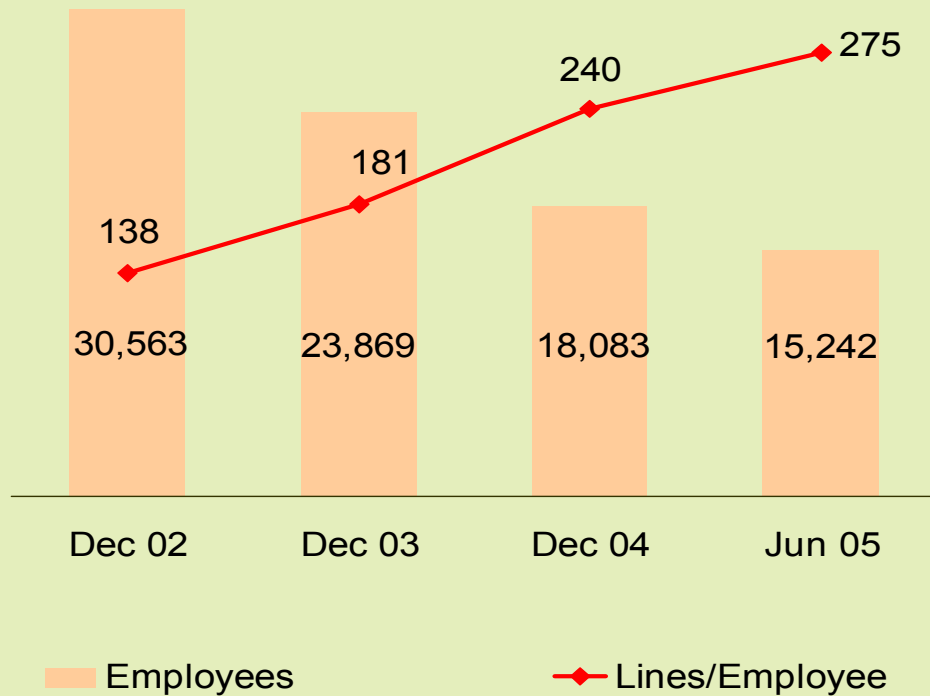
- Geographical centralization: regional divisions cut from 12 to 4, regional departments from 58 to 28, number of managerial positions down 30%
- Operational centralization: Unification of marketing and sales activities under the Commercial Division, centralization of procurement and support functions
- Reduction of Headquarter units by 50%

RomTelecom - Romania

- OTE Group owns 54% of RomTelecom
- Tariff rebalancing in 2004 and early 2005 led to revenue increase
- Euro-denominated pricing for domestic tariffs introduced in 2004, minimizing FX exposure
- Over the past two years RomTelecom has implemented an aggressive Opex reduction program
- Leading to significantly improved operating margins



50% headcount reduction since Dec 2002



OTE

COSMOTE Group profile

COSMOTE Overview

- Started operations in 1998 as the third mobile operator in Greece
- Leading mobile operator in Greece in terms of total and contract subscribers with market share of c.38%
- Listed on Athens (COSMO GA), London (CMBD LI) Stock Exchanges
- OTE owns c. 64.4% of COSMOTE
- Customer base grown from 4.5 million in 2003 to 7.5 million (pro forma) in 1H 2005

COSMOTE Group strategy

- Enhance growth profile
- Optimize maturity profile of operations
- Maximize operational efficiency to improve profitability margins
- Enhance value

OTE

COSMOTE Growth Profile

**COSMOTE
Greece**

- Mature operation with strong cashflows and improving profitability

AMC

- Continuing fast growth, high margins and positive cashflows

GloBUL

- Strong revenue and profit growth, with significant further potential

CosmoFON

- New operation, with positive EBITDA and on turnaround path

CosmoROM

- Start up venture, with strong growth prospects

- **Sustainable
growth outlook**

- **Value creation
dynamics**

OTE

COSMOTE Key Financial Figures

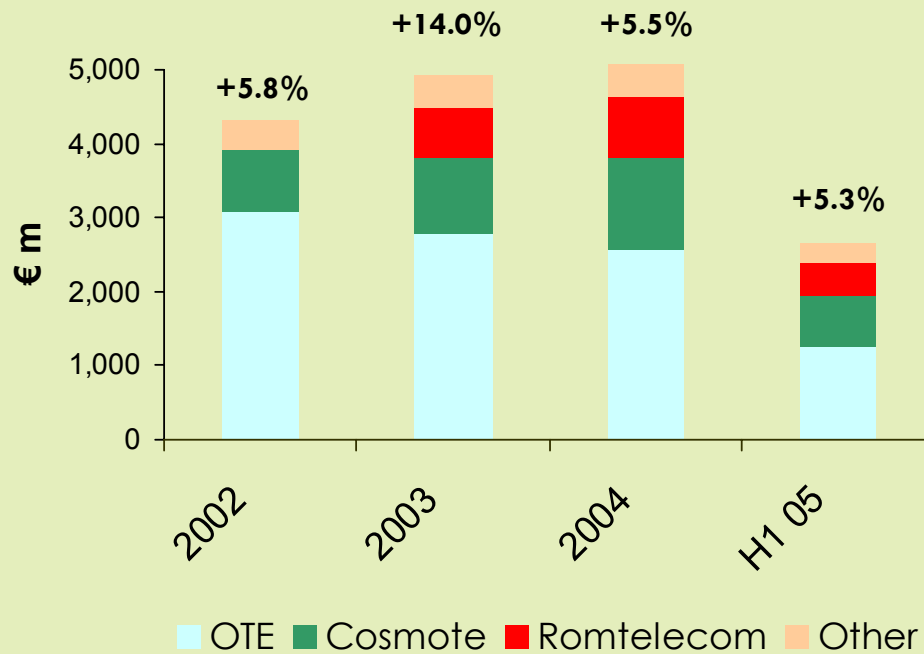
US GAAP* € million	2003	2004	H1 05 (unaudited)
Equity	824.2	982.6	658.5
Net Debt	211.2	83.2	153.0
Total Assets	1,557.0	1,688.4	1,545.3
Revenues	1,357.2	1,587.8	791.2
Operating Income before D&A	576.0	674.5	345.7
Net Income	252.9	308.2	158.6
CAPEX as % of Revenues	13.4%	13.7%	4.6%
EPS (€)	0.77	0.93	0.48
Market Cap (EoP)	3,563.6	4,888.3	5,020.8

*Figures including AMC

OTE

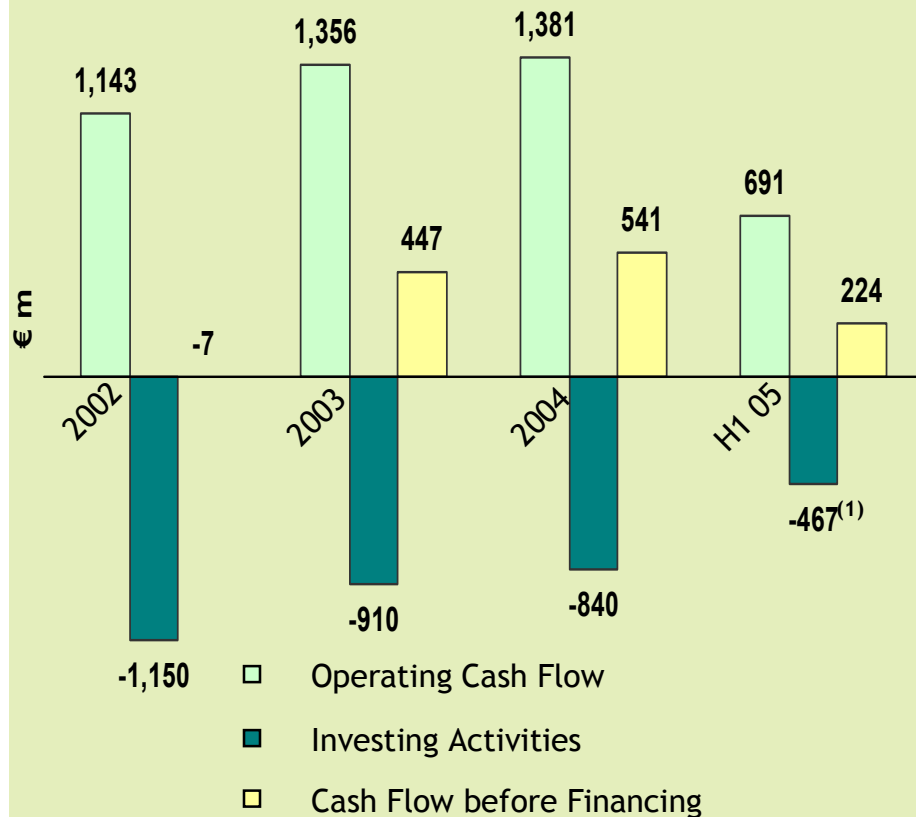
OTE Group Trends

OTE Group Revenue Trends



- Despite Greek fixed-line revenue erosion, Group revenue have posted consistent increases, fuelled by Cosmote and International Operations

OTE Group Cash Flow Trends



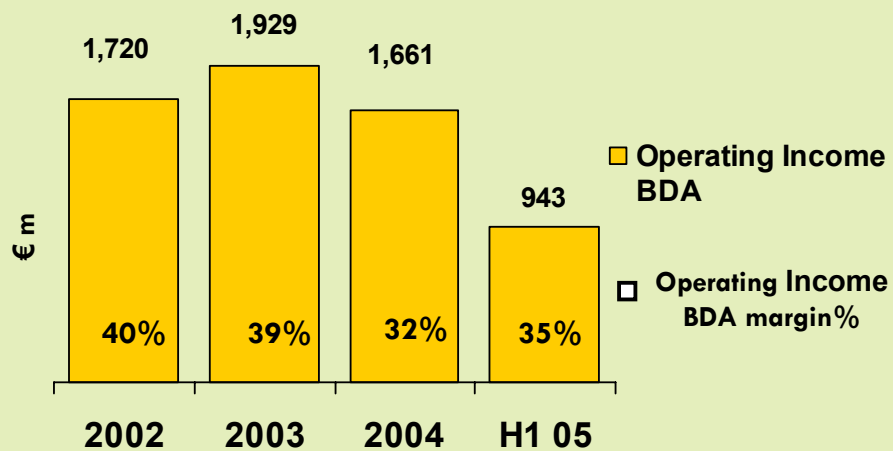
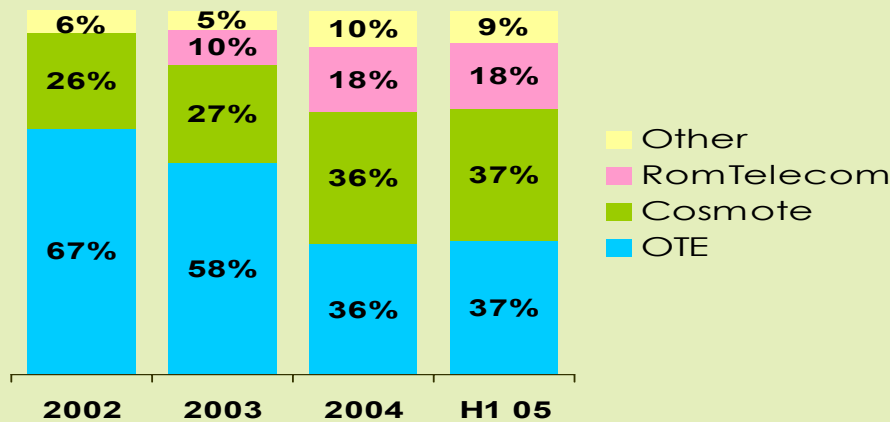
- OTE has achieved significant reduction in Capital Expenditure since 2002
- All procurement now passes through fully competitive tender, electronic auctions and other competitive process
- Entrance of new suppliers and increased competition between suppliers
- Horizontal expansion of procurement coverage gained by centralization
- This has enabled OTE to consistently improve Free Cash Flow since 2002

(1) H1 05 Investing Activities include €274 m for the acquisition of additional share in Cosmote

OTE

OTE Group Trends

Operating Income BDA mix



Operating Income before D&A Trends

- Declining profitability in Greek Fixed Line ...
- ... and improved performance by Cosmote and RomTelecom ...
- ... have changed the earnings mix by segment

Operating Income before D&A Margin Trends

- Margins improved in H1 05
- From exceptionally low levels reached in FY04
- VRS in Greek Fixed Line and at RomTelecom will gradually improve margins

- **Greek Fixed Line**
 - Reinvigorated commercial strategy to combat traffic erosion
 - Implementation of Voluntary Retirement Plan and resolute attack on cost base
 - Ambitious reorganization to transform the company

- **Romanian Fixed Line**
 - Accelerate implementation of restructuring plan
 - Protect revenue base as new products and services are rolled out

- **Mobile Operations**
 - Leverage benefits from combining Greek and international operations under single management
 - Re-launch CosmoRom

- **April 2005:** OTE and Cosmote agree to the transfer of GloBul and Cosmofon to Cosmote
- **April 2005:** OTE S.A.'s interest in Cosmote's share capital raised to 64.4%
- **July 2005:** Following an earlier agreement with the Union representatives, OTE management and employee representatives sign a collective agreement detailing implementation of the Voluntary Retirement Plan
- **August 2005:** OTE completes transfer of its international mobile operations to Cosmote
- **October 2005:** More than 5,500 OTE employees submit their applications to participate in the Voluntary Retirement Plan, for a takeup of more than 82%.

OTE

Appendix - Financial Highlights

US GAAP € millions	2004	H1 04	H1 05 (unaudited)	% Diff
Operating Revenues	5,184.0	2,527.9	2,661.3	5.3%
Operating Income	637.9	358.7	428.1	19.3%
Pre-tax Income	525.8	308.2	453.3	47.1%
Net Income	171.3	93.1	209.8	125.3%
Operating Income before D&A	1,661.0	865.1	942.5	8.9%
Operating Income before D&A as % of Operating Revenues"	32.0%	34.2%	35.4%	1.2 pp
CAPEX	843.6	472.7	236.9	235.8
CAPEX as % of Revenues	16.3%	18.7%	8.9%	-9.8 pp