

OTE

OTE in Focus

2005 Q4 & Full Year Results

OTE 2006-2008 Business Plan:
Building a Group on Solid Fixed-Line
Foundations

February 27, 2006

Forward-Looking Statement

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect the Company's future financial results are discussed more fully in the Company's filings with the U.S. Securities and Exchange Commission (the "SEC"), including the Company's Annual Report on Form 20-F for 2004 filed with the SEC on June 30, 2005. OTE assumes no obligation to update information in this presentation.

Note: In this presentation, the caption "EBITDA" is used to signify "Operating income before depreciation and amortization" and the caption "EBITDA margin" to signify "Operating income before depreciation and amortization as a percentage of Operating Revenues"

AGENDA

- 2005 Q4 & FY RESULTS
- 2006-08 BUSINESS PLAN
 - GREEK FIXED-LINE
 - MOBILE
 - ROMTELECOM
 - FINANCIAL PROJECTIONS
- CONCLUSION

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2005 Q4 & Full Year Results

OTE Group Financial Highlights

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US GAAP € million	Q4 05	Q4 04	% Diff	12M 05	12M 04	% Diff
Operating Revenues	1,398.6	1,286.7	8.7%	5,471.0	5,184.0	5.5%
Operating Income/(loss)	173.6	84.7	105.0%	2.6	637.9	-99.6%
Pre-tax Income/(loss)	149.0	81.1	83.7%	(20.4)	525.8	N/A
Net Income/(loss)	37.1	58.9	-37.0%	(294.1)	171.3	N/A
EBITDA	449.9	340.0	32.3%	1,056.0	1,661.0	-36.4%
EBITDA margin	32.2%	26.4%	5.8pp	19.3%	32.0%	-12.7pp
Basic EPS (€/share)	0.0757	0.1202	-37.0%	(0.6000)	0.3495	N/A
Cashflow from Operations	481.2	320.3	50.2%	1,534.6	1,380.9	11.1%
CAPEX as % of Revenues	19.7%	15.4%	4.3 pp	12.4%	16.3%	-3.9pp

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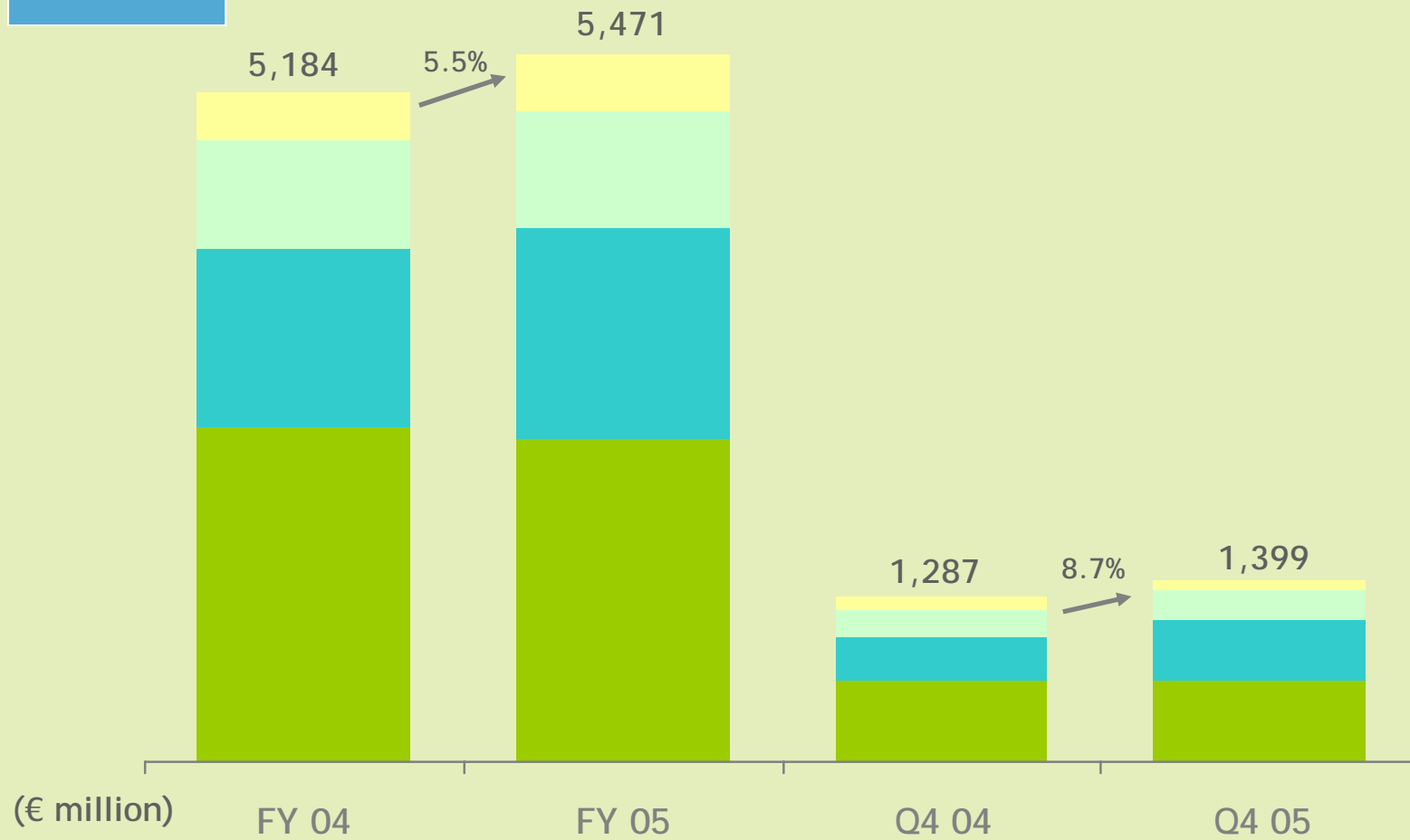
OTE Group Financial Highlights Pro Forma*

US GAAP € million	Q4 05	Q4 04	% Diff	12M 05	12M 04	% Diff
Operating Revenues	1,398.6	1,286.7	8.7%	5,471.0	5,184.0	5.5%
Operating Income/(loss)	172.0	84.7	103.6%	942.2	666.8	-41.3%
Pro Forma EBITDA	451.5	340.0	32.8%	1,995.6	1,689.9	18.1%
Pro Forma EBITDA margin	32.3%	26.4%	5.9pp	36.5%	32.6%	3.9pp

*excluding VRP

OTE Group Operating Revenues

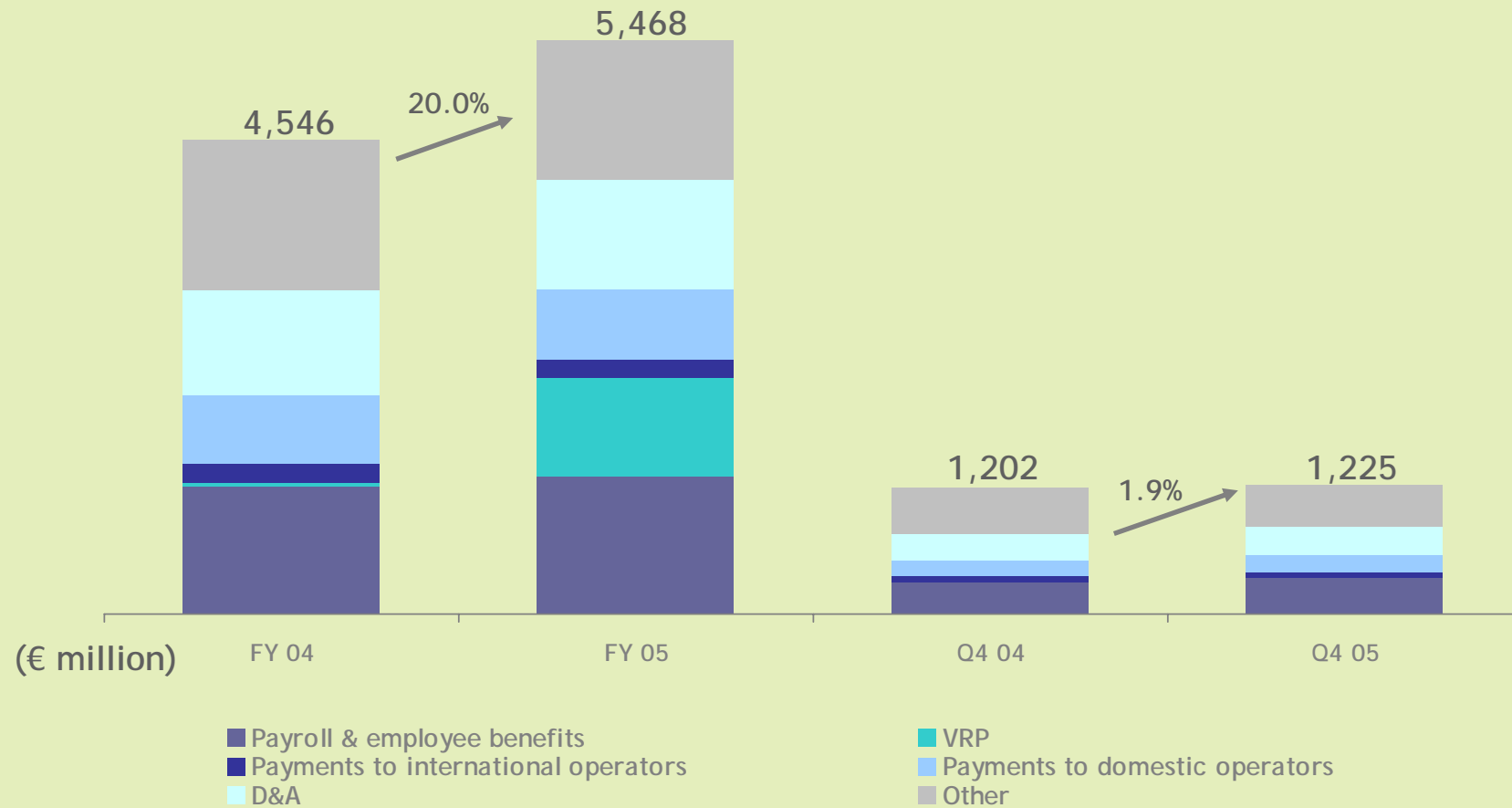
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■ OTE ■ COSMOTE ■ ROMTELECOM ■ Other

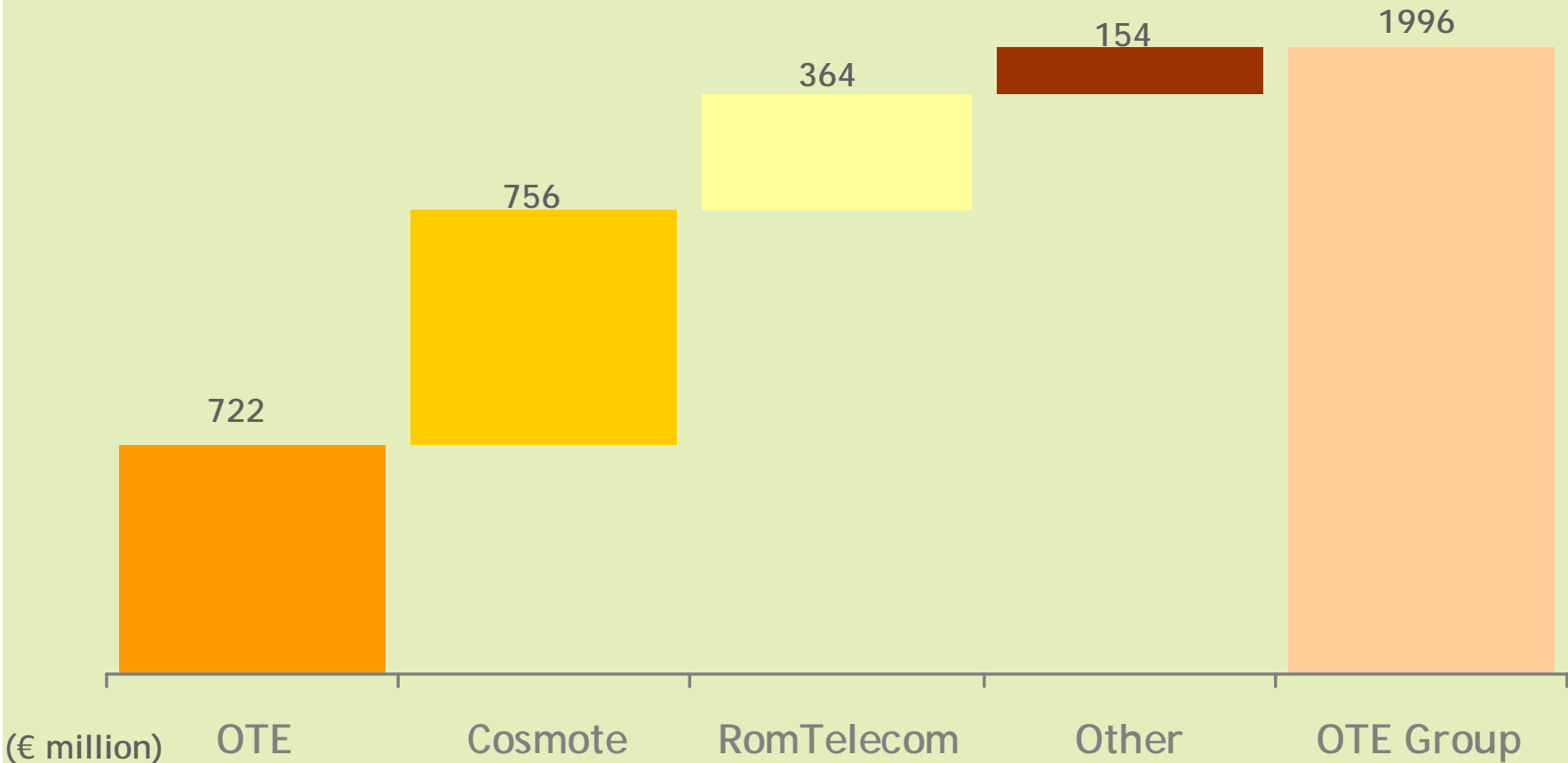
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OTE Group Operating Expenses



OTE Group FY '05 EBITDA excl. VRP

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(€ million)

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Cosmote

RomTelecom

Other

OTE Group

Greek Fixed-Line Financial Highlights

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US GAAP € million	Q4 05	Q4 04	% Diff	12M 05	12M 04	% Diff
Operating Revenues	688.0	675.2	1.9%	2,713.7	2,753.3	-1.4%
Operating Income	21.7	(24.3)	N/A	(776.2)	31.5	N/A
EBITDA	164.4	90.7	81.3%	(217.3)	601.8	N/A
EBITDA margin	23.9%	13.4%	10.5pp	(8.0%)	21.9%	N/A
CAPEX as % of Revenues	8.8%	2.7%	6.1pp	7.7%	10.9%	-3.2pp

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Greek Fixed-Line Financial Highlights Pro Forma*

US GAAP € million	Q4 05	Q4 04	% Diff	12M 05	12M 04	% Diff
Operating Revenues	688.0	675.2	1.9%	2713.7	2753.3	-1.4%
Operating Income	23.3	(24.3)	N/A	163.4	60.4	170.5%
Pro Forma EBITDA	166.0	90.7	83.0%	722.3	630.7	14.5%
Pro Forma EBITDA margin	24.1%	13.4%	10.7pp	26.6%	22.9%	3.7pp

* excluding VRP

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Greek Fixed-Line Traffic Metrics

Minutes, millions	Q4 05	Q4 04	% Diff	12M 05	12M 04	% Diff
Local	3,079	3,142	-2.0%	11,896	12,559	-5.3%
National-Long Distance	469	477	-1.7%	1,899	1,912	-0.7%
International- Long Distance	80	89	-10.1%	337	373	-9.6%
Internet	2,746	3,360	-18.3%	11,852	13,651	-13.2%
F2M	438	420	4.3%	1,765	1,728	2.1%
Special Calls	53	53	-	207	215	-3.4%
Total	6,865	7,542	-9%	27,956	30,437	-8.2%

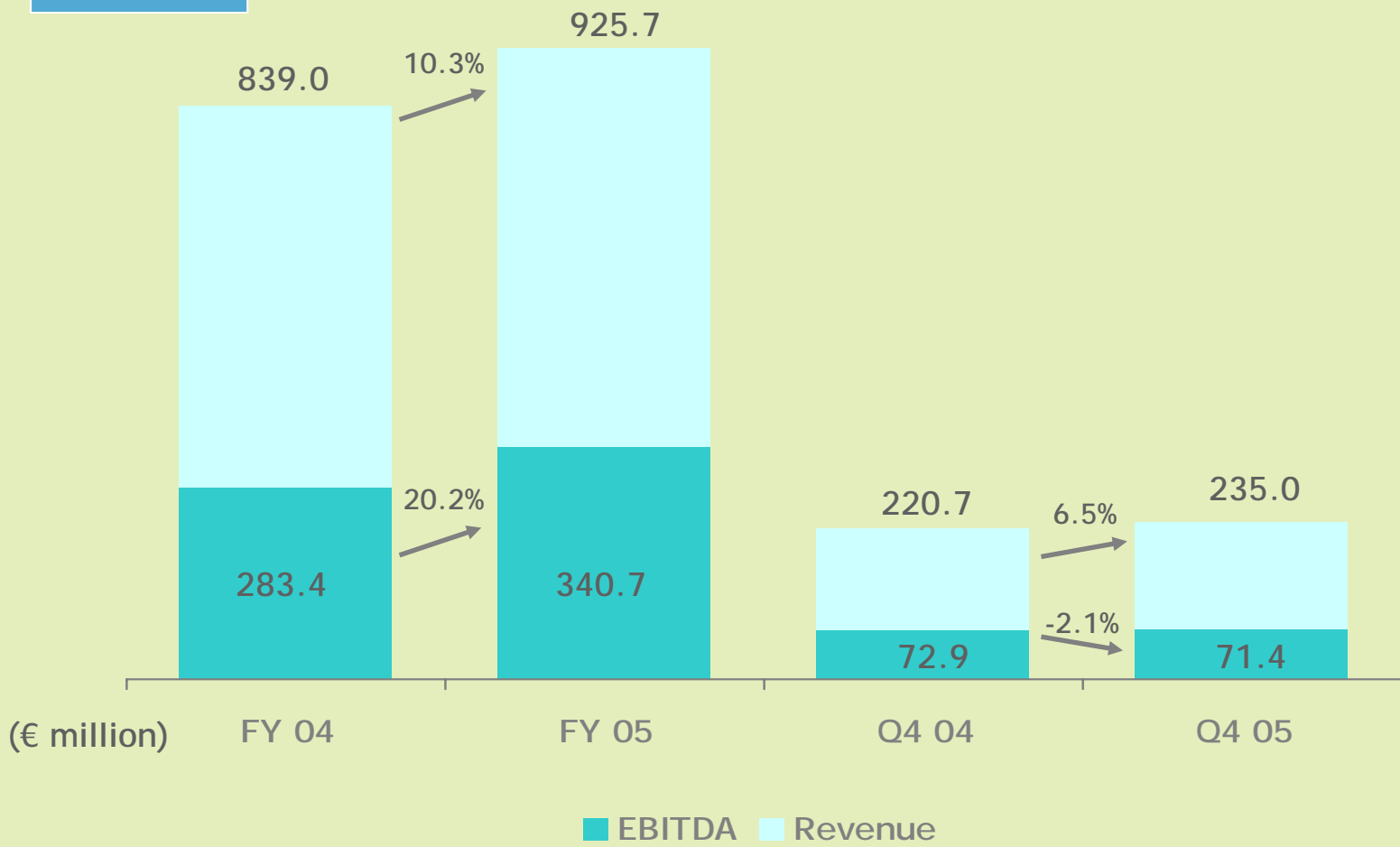
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Cosmote Group IFRS Financial Highlights

€ million	Q4 05	Q4 04	% Diff	12M 05	12M 04	% Diff
Operating Revenues	505.3	385.5	31.1%	1,797.6	1,587.8	13.2%
EBITDA	184.8	160.0	15.5%	754.5	675.1	11.8%
EBITDA margin	36.6%	41.5%	-4.9pp	42.0%	42.5%	-0.5pp
Net Income	84.7	74.9	13.1%	339.9	309.1	10.0%
Net Income margin	16.8%	19.4%	-2.6pp	18.9%	19.5%	-0.6pp

RomTelecom Financial Highlights

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2006-08 Business Plan :

Building a Group on Solid Fixed-Line
Foundations

Business Plan Introduction

- Three-year ('06-'08) business plan...
 - built around realistic market assumptions
 - focusing on Greek fixed-line operations
 - aimed at returning the OTE Group's performance in line with peers
- ... designed to:
 - address fixed-line revenue erosion and develop new sources of growth
 - reduce cost structure
 - maintain technological edge
 - build a customer-centric Group culture

Business Plan Premises & Process

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- Process launched in mid-2005
 - Over 6 months of intensive preparation, validation, reviews
- First systematic medium-term business planning exercise conducted by Greek Fixed-Line
- Provide Group and Business Units with solid, unified framework for forecasting, budgeting, R&D and Capex
- Strong commitment to delivery by all key managers
- Dynamic ongoing process - expect annual updates
- All Business Plan forecasts under IFRS

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Greek Fixed-Line

Restructuring: The Rationale

- Greek market deregulated in 2001
- Between 2002 and 2005*:
 - Greek fixed-line revenues CAGR -7.5%
 - Payroll & benefits CAGR +4.4 %
 - Other operating expenses CAGR +3.2%
 - EBITDA margin (excl. VRP) down from mid 30's in '02 to 27% in '05
- Headcount reduction, restructuring & reorganization providing solid platform for change & planning
 - Headcount down from 18,545 at '01 year end to 14,741 at '05 year end
 - Complete overhaul of regional and divisional structures (from 12 to 4 regional divisions and from 58 to 28 regional departments)
 - Streamlined head-office organization (managerial positions down 30%)

Greek Fixed-Line Competitive & regulatory environment

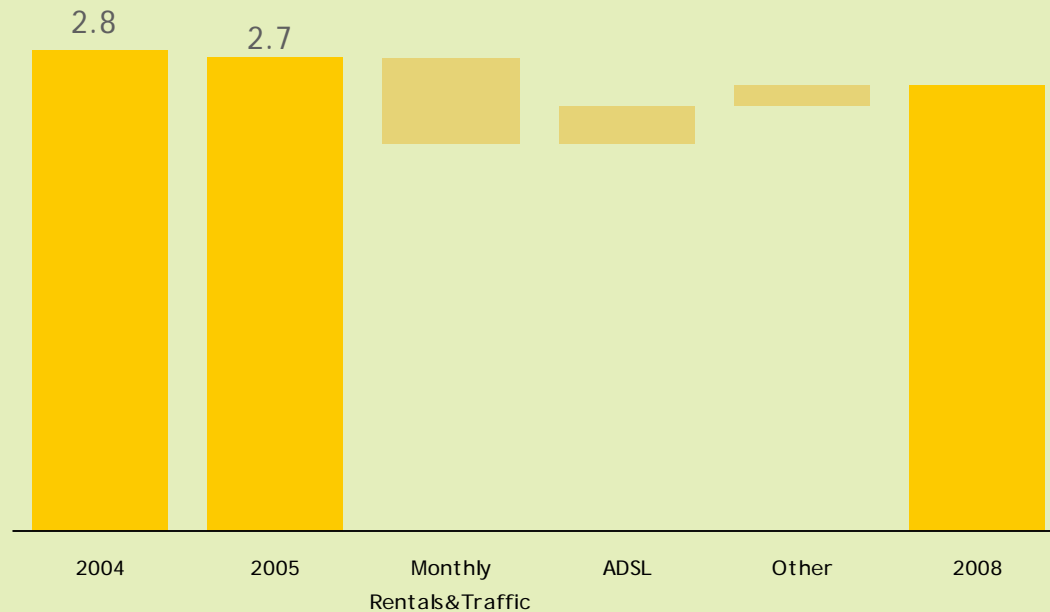
- A mature telephony market, but still underdeveloped in PC/Internet penetration
- Aggressive competition from alternative carriers since market deregulation
 - Product bundling by alternative carriers encouraged by Regulator
 - Resellers focusing on price rather than infrastructure building, quality of service or innovation
 - Competition toughest in international traffic (incl. VoIP)
- Continuous regulatory strain on OTE
- Mobile operators increasingly focusing on fixed telephony substitution
- Consolidation of alternative carriers expected to occur

Greek Fixed-Line Revenue Maximization

- **Aim:** Reinforce OTE's position as the customer's first choice for integrated telecommunications solutions
- **Commercial proposition:** Maintain quality of products and services above competitor levels while offering value for money
- **Initiatives:**
 - **Segmentation:** Product development & management, pricing policies, marketing & advertising, and customer services reorganized to target each segment of the market
 - Growth in new generation revenues and total solutions incorporating fixed and broadband internet
 - Enhance fuller usage of existing network infrastructure
 - Integrated nationwide solutions for Greek corporate clients
 - Heavy investment in CRM & transformation of OTE from a technology-driven to a customer-centric organization

Greek Fixed-Line Controlling revenue erosion

(€bn)



- Slower rate of revenue decline expected in '05/ '08: CAGR -1.5% to -2.5%

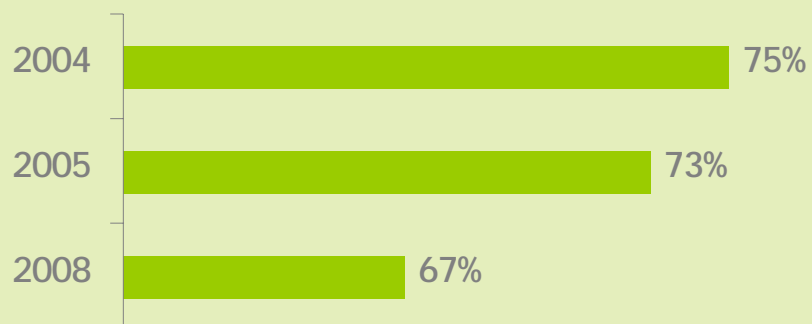
- Further drop in revenue from monthly rentals and traffic due to intense competition...

- ... partly offset by strong growth in ADSL and other services

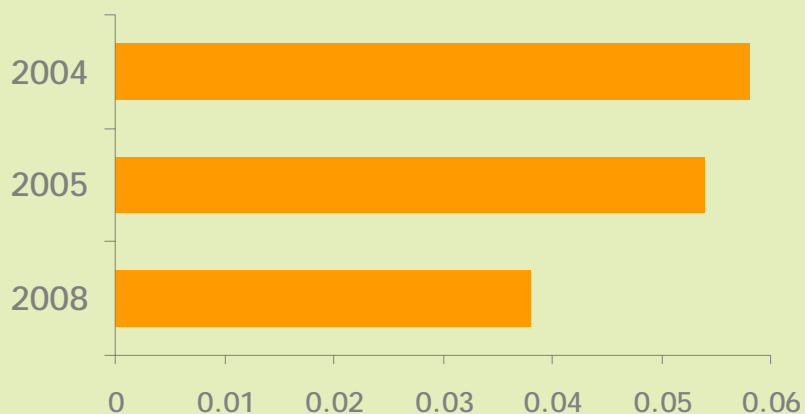
Greek Fixed-Line Revenue Assumptions

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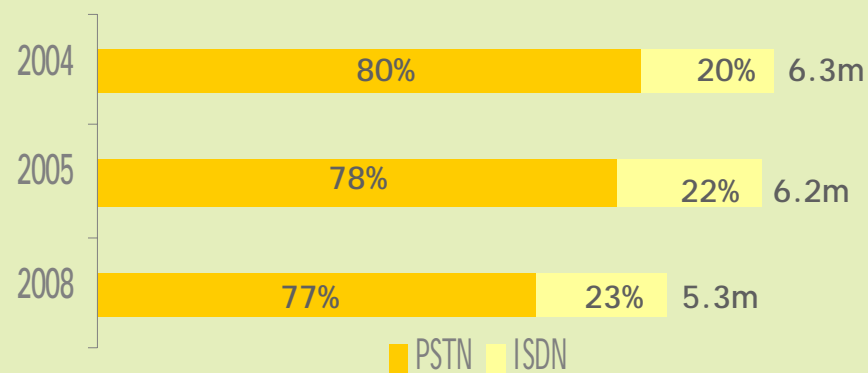
Market Share



AV Price/min



- Traffic Market share loss due to heightened competition
- Access revenue reduction due to fixed to mobile substitution and ULL
- Declining voice tariffs: mainly F2M (lower termination) and international (alternative carrier & VoIP competition)



Lines: # of 64K equivalents

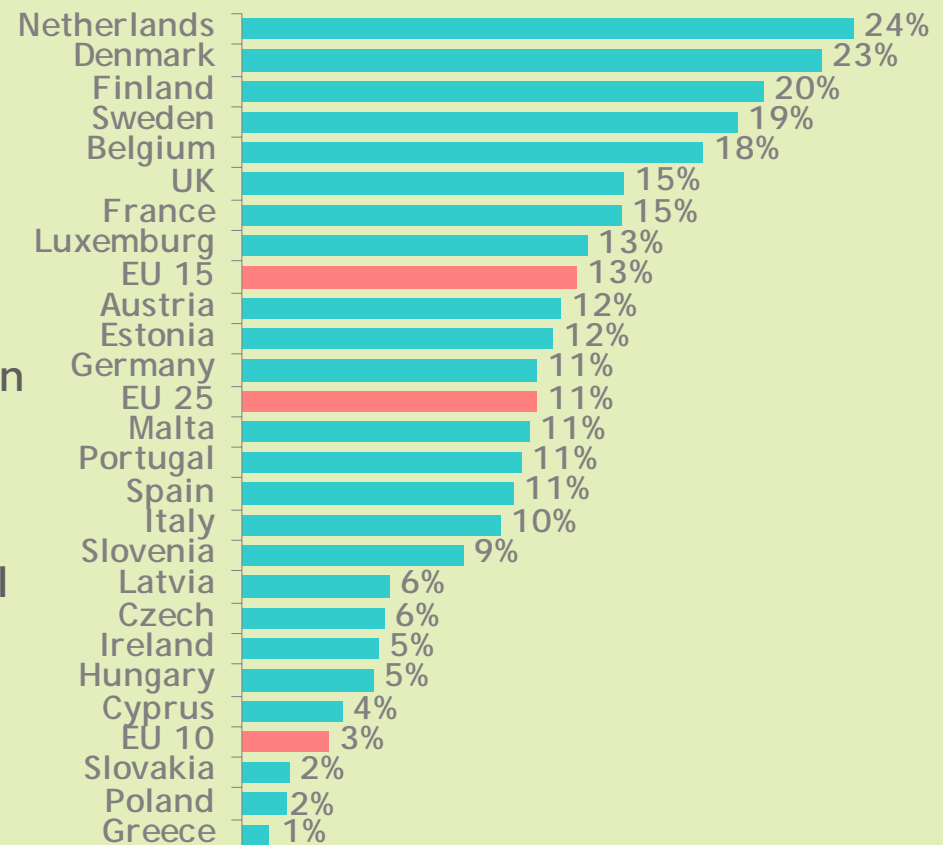
Greek Fixed-Line Broadband Penetration

- Broadband penetration lowest of all European markets ...

- ...combined with absence of competition from cable...

- ...creates significant untapped potential

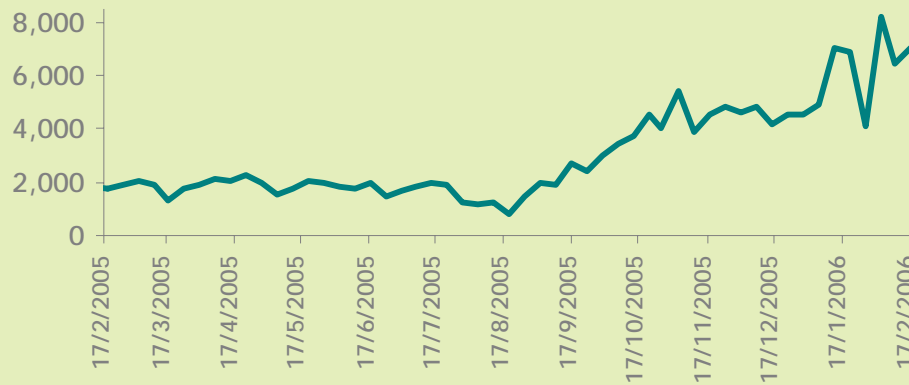
Broadband penetration rate as % of population



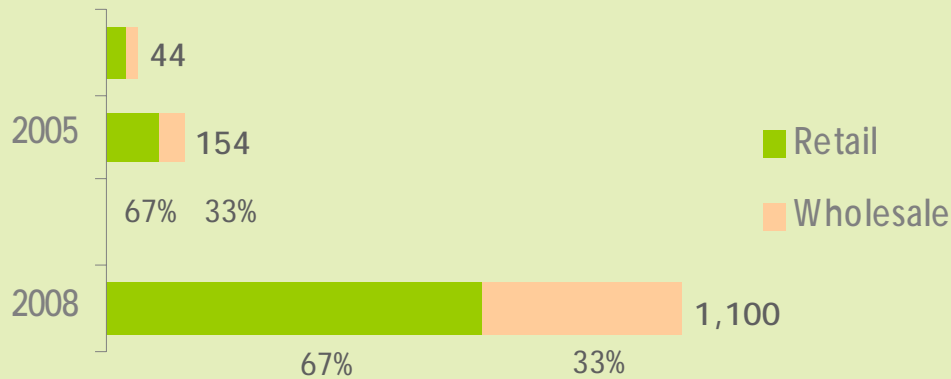
October 2005

Greek Fixed-Line Strong Growth in ADSL

ADSL weekly takeup rate



Total number of ADSL subscribers (x000)



- Net additions: rapid acceleration
- Takeup highly sensitive to pricing...
 - Expected '05/'08 tariff CAGR: -15%
 - ...and to product bundling
 - access and internetfeed from Q2 '06
 - value-added services
 - Wholesale to offset significant increase in LLU
 - 100K unbundled lines by '08
 - Gradual shift to higher bandwidth mix

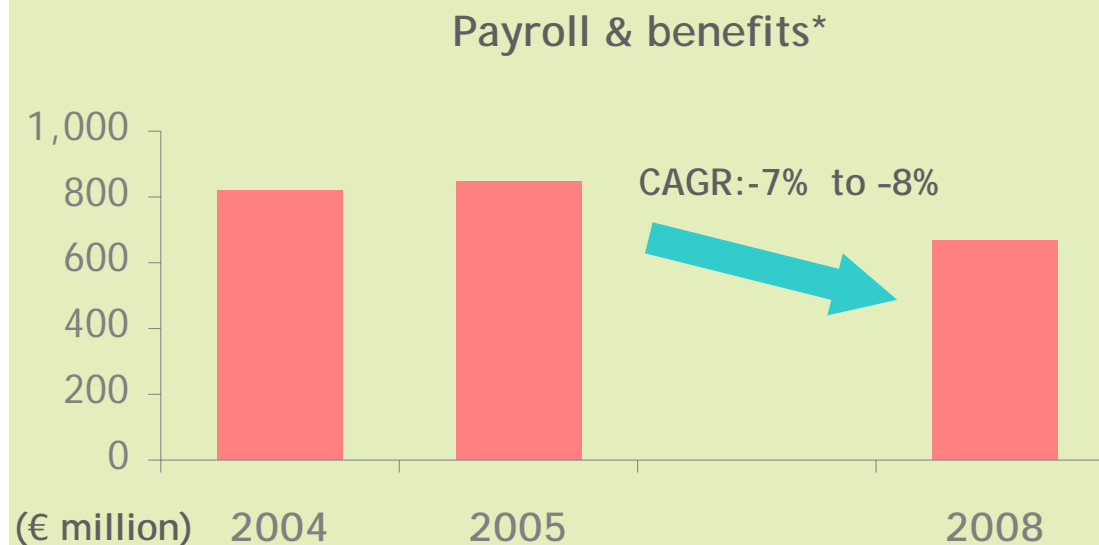
Greek Fixed-Line Revenue Retention & New Services

- Customer Relationship Management
 - Introduction of new CRM tools developed with expert industry provider
 - Quantitative and qualitative strengthening of Call Center customer-facing teams
 - Systematic outreach campaign aimed at 20,000 large business customers - a key and somewhat neglected, clientele segment
- Reorganization of sales force from regional to functional lines since late '05
- Planned introduction of nationwide flat-rate packages
- Voice & ADSL offerings
 - Single billing
 - Specific voice packages targeting ADSL subscribers
- Integrated corporate services for large business clients
 - On-network voice & data; attractive off-network pricing
- More targeted use of marketing budgets

Greek Fixed-Line Personnel Expenses

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Payroll and benefits slashed by about one-fifth over plan period



- Headcount down from 14,741 at '05 year end to approx. 11,000 at '08 year end

- '08 target payroll as a % of Revenues: 26% (vs. 32% in '05)

*Excluding VRP cost

Greek Fixed-Line Personnel & Management

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- Voluntary Retirement Plan (VRP) update
 - Groundbreaking headcount reduction program in Greece: 5,500 employees, or more than 1/3 of total workforce to leave the company
 - Over 1,500 already gone, all to have left by mid-October '06
 - Full annual impact to be felt in 2007 ; 30% to 40% impact of full-year savings in '06
 - OTE to proceed with VRP regardless of EU decision on Greek State contribution

- New talent hiring
 - Approximately 1,000 new people to join OTE in '06 under common employment Law
 - Complementary technological and marketing skills

- Emphasis on motivation, training and management development
 - Instill new values
 - New processes throughout the organization

Greek Fixed-Line Cost-Reduction Initiatives

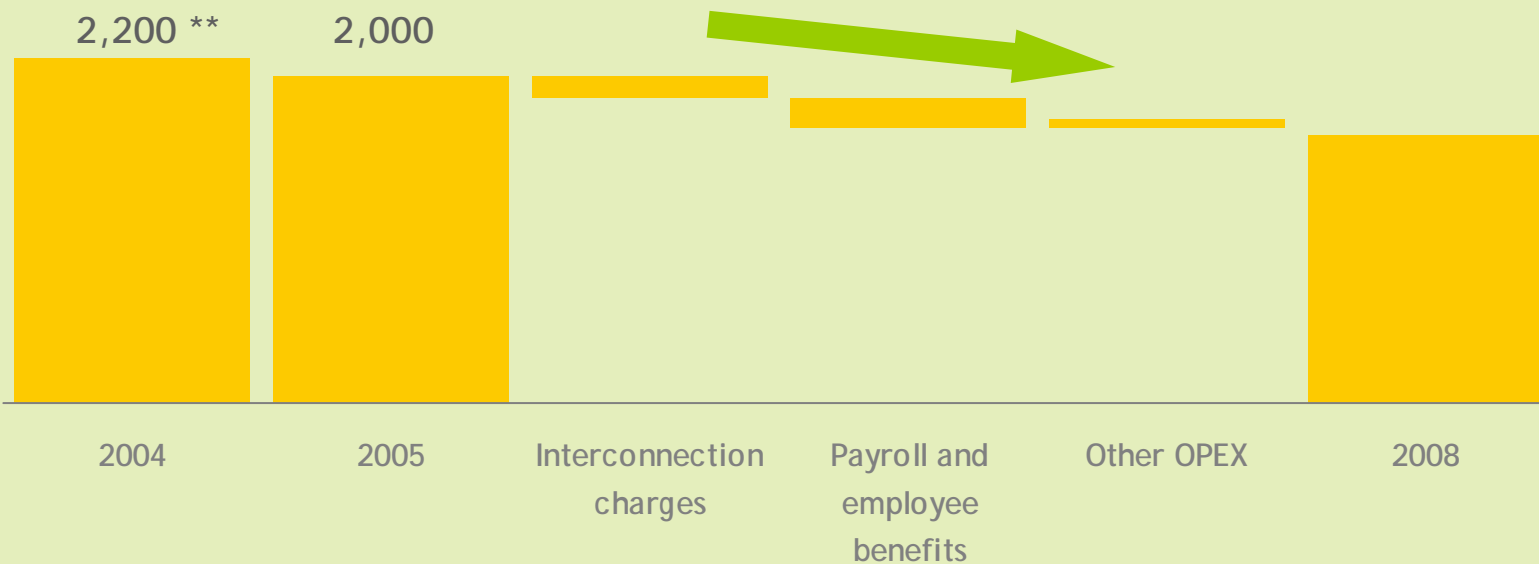
- Sharp reduction in bad debt provisions
 - €55 m decrease over plan period
 - tighter collection processes implemented, further developments linked to deployment of GENEVA billing process in H2 '06
- Systematic attack on fixed cost base
- Projects undertaken in order to ensure permanent cost reduction (e.g. Supply Chain, Logistics, CRM)
- Savings induced by reorganization / restructuring (rents, utilities...) to start benefiting P&L in coming months

Greek Fixed-Line Operating Expenses

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OPEX*

(€bn)

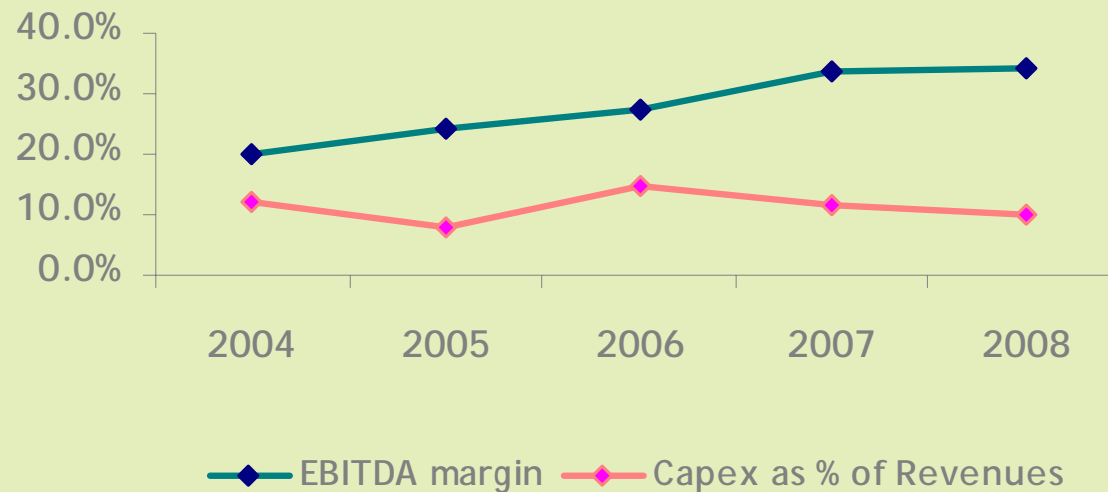


*Excl. VRP & Depreciation and Amortization Costs

** Incl. Approx. €90 mn related to Olympics

Greek Fixed-Line Key Financial Ratios

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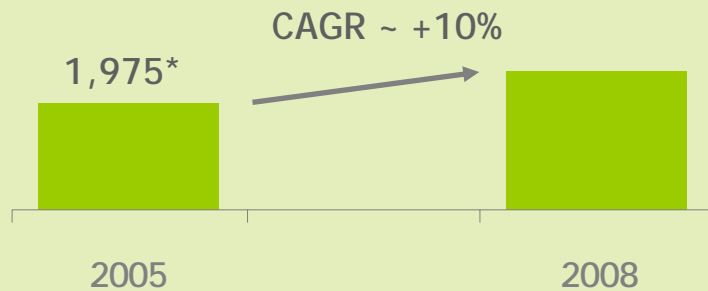
- Steady rise in EBITDA & EBITDA margin

- Capex peaking in '06 due to ADSL buildup, then declining in '07/'08

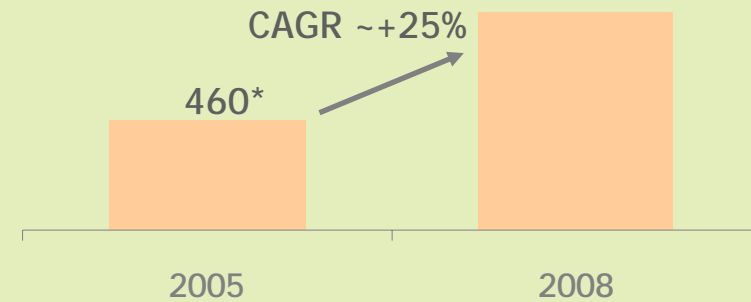
Strengthen position in five Southeast-European countries, some of the fastest growing mobile markets in Europe

- Cosmote Greece - Increase voice revenues, encourage usage, boost profitability
- AMS (Albania) - Pursue growth through penetration and usage, achieve sustainable margins
- Globul (Bulgaria) - Boost subscriber numbers and profitability, achieve positive free cash flow
- Cosmofon (FYROM) - Bolster subscriber base and achieve profitability
- Cosmote Romania - Tap potential of promising start-up, invest in network and distribution

Group Revenues (€ mn)



Revenues outside Greece (€ mn)



EBITDA Margin

- Slight dilution from '05 level due to high-growth and start-up operations

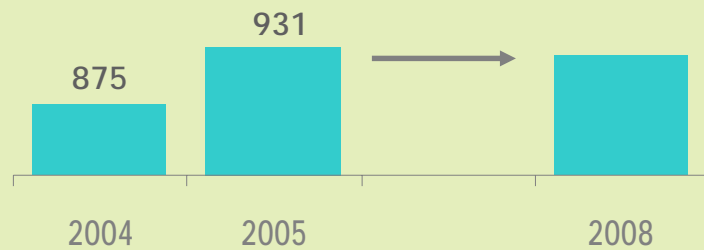
* Pro forma with Globul, CosmoFon and Cosmote Romania on a full-year basis

- Operating in one of the toughest European markets: low fixed penetration, intense competition from mobile and cable, antiquated legacy infrastructure, tense regulatory environment
- Strengthen positioning as low-cost provider of basic voice service
 - Pursue further reduction of costs
 - Invest in completing digitalization, network management and workforce management
- Bring service quality to European levels
- Leverage new backbone network to introduce new data services, particularly for corporates
- Maximize revenues by slowing decline of traditional services (packages, price bundles), pursuing rebalancing and launching new services (high-speed internet, triple play)
- Further improve customer service

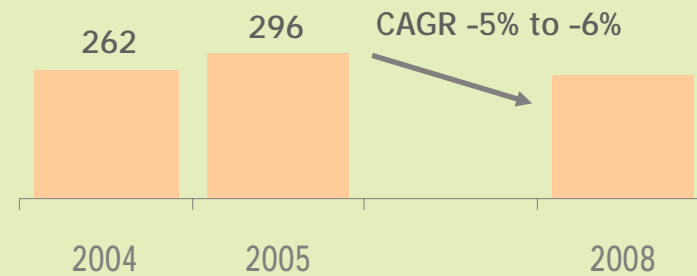
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RomTelecom '06-'08 Outlook (stand alone)

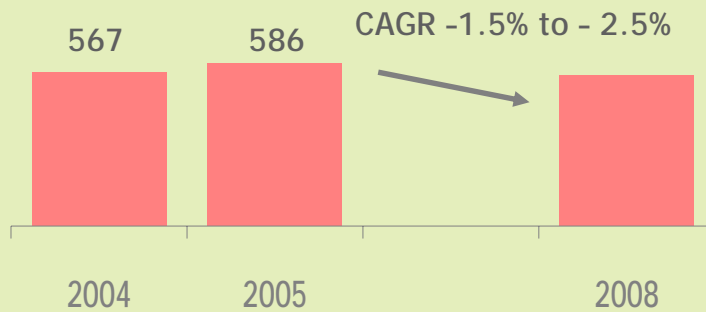
Revenues (€mn)



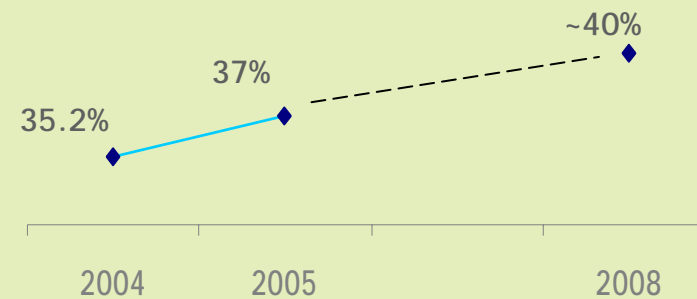
Payroll & benefits (€mn)



OPEX (€mn)



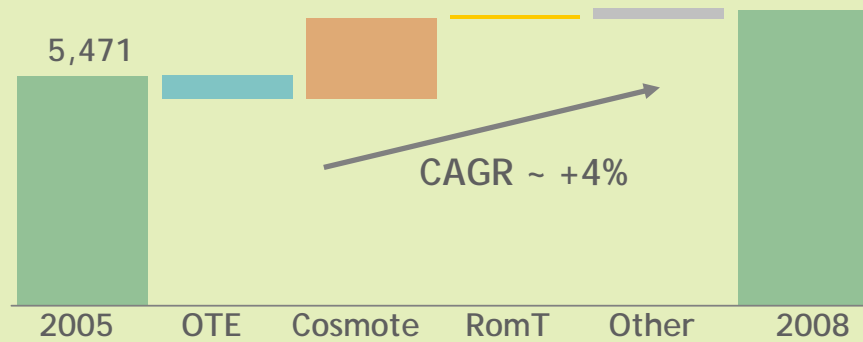
EBITDA Margin



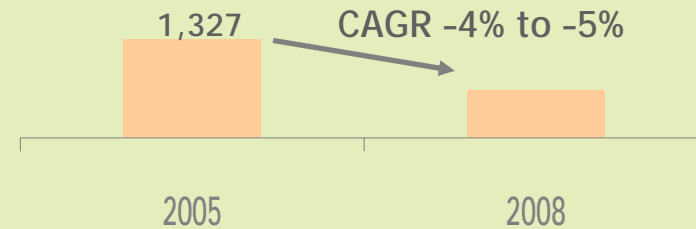
OTE Group Trends '06-'08

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Revenues (€mn)



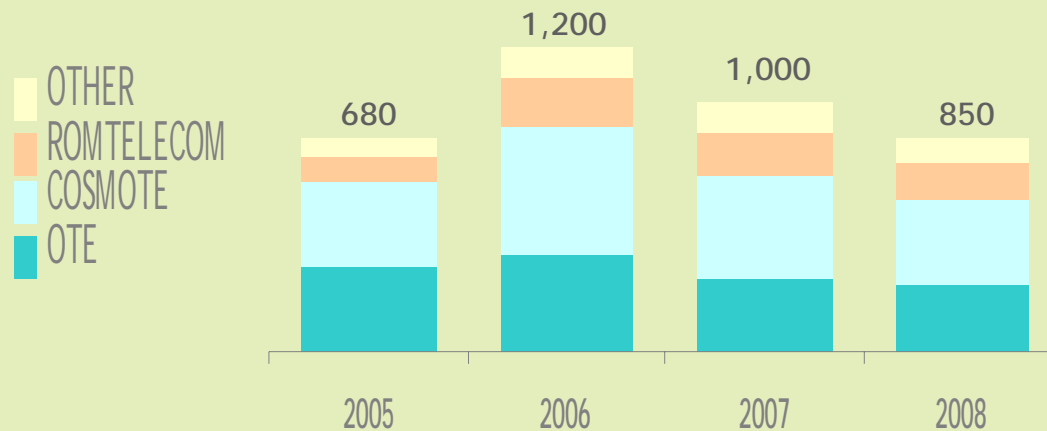
Payroll & employee benefits*



EBITDA Margin

- Gradual Increase to EBITDA margin in excess of 40% by end of plan period

* excluding VRP



- Sharp increase in 2006 mainly due to Cosmote Romania, additional network development at RomTelecom and Greek ADSL
- Reverting to <14% by '08, reflecting investments in Southeast Europe mobile operations

OTE Group Financial projections

Balance Sheet, Cash Flow

- Capital Structure - Low gearing
 - '05 year end net debt to EBITDA (excl.VRP) <1x
- Pressure on '06 FCF
 - VRP cash out
 - CAPEX
- Dividend
 - Legal restriction on '06 payment
 - Dividend policy going forward
 - Exploring alternative returns to shareholders
- Other sources/uses of cash

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Conclusion

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