



# OTE

## 2004 Second Quarter Results



**Conference Call**

**August 26, 2004**



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## Forward-looking Statements

**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 2003 filed with the SEC on July 15, 2004.**





# Agenda

- Highlights - *Panagis Vourloumis*
- Group Financial Performance and Operational Highlights - *Iordanis Aivazis*
- Outlook - *Panagis Vourloumis*





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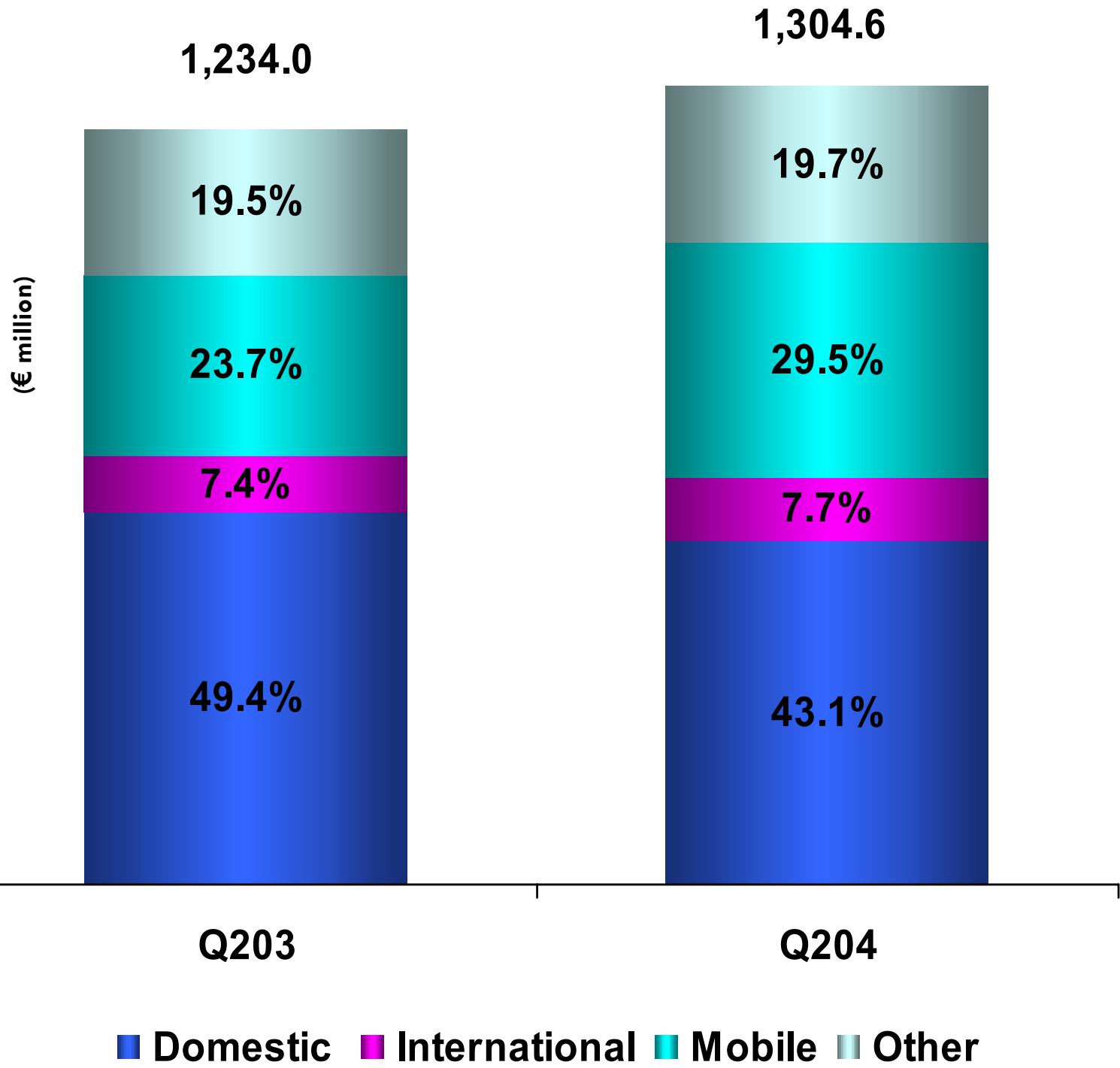
# Group Financial Highlights

US GAAP € millions except per share data	Q2 04	Q2 03	% Diff
Operating Revenues	1,304.5	1,234.0	+5.7
Operating Income	193.5	246.4	-21.5
Pre-tax Income	161.5	240.7	-32.9
Net Income	45.0	117.7	-61.8
Operating Income before D&A	451.1	485.9	-7.2
Operating Income before D&A as % of Operating Revenues	34.6	39.4	-4.8 pp
Basic EPS (€ / share)	0.0918	0.2400	-61.8
Cashflow from Operations	445.3	357.7	+24.5
CAPEX as % of Revenues	22.6	22.8	-0.2pp





# Breakdown of Group Operating Revenues



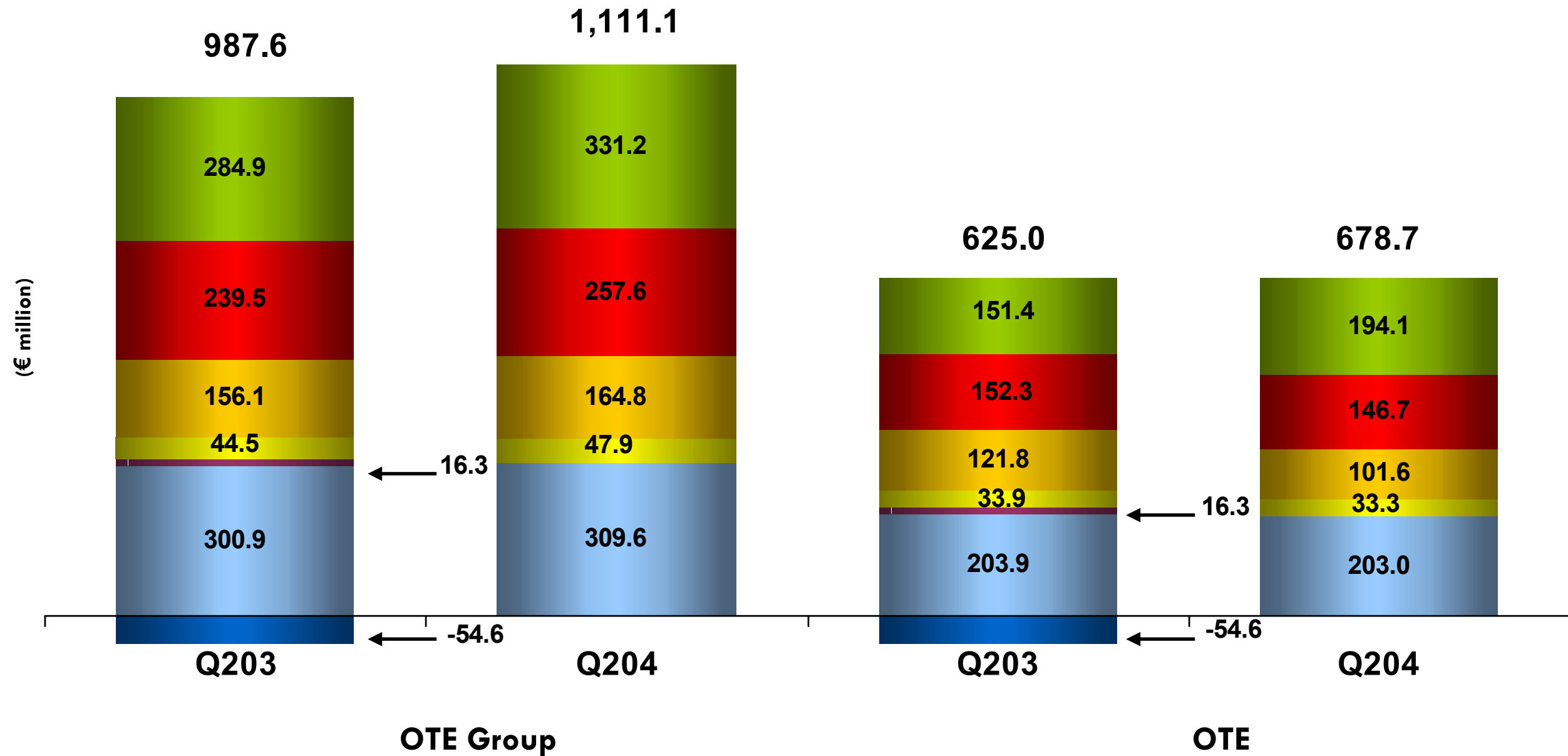
- Strong mobile sales (Cosmote, Globul)
- Sound RomTelecom performance
- Further fixed-line revenue erosion in Greece





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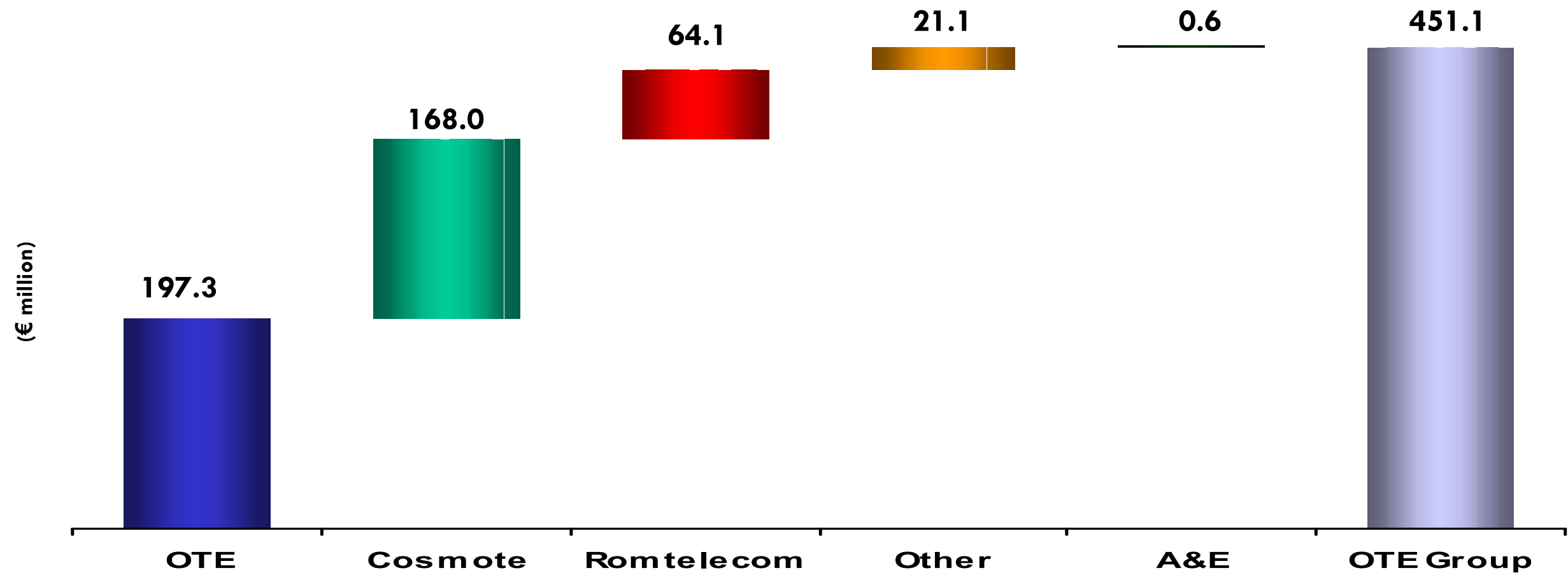
# Operating Expenses





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# Breakdown of Operating Income before D&A



- Cosmote and RomTelecom account over a half of Group Operating Income before D&A
- Growing contribution from mobile operations abroad (Globul)
- ... but disappointing Greek fixed line performance





# Greek Fixed Line: Slower Revenue Decline

- Slight market share erosion at approximately 85%
- Drop in revenues due to lower traffic volume and new tariff structure
- Actions taken to:
  - Accelerate installation time and boost demand of ADSL
  - Raise national broadband usage
- Increased advertising and promotional activities to support new products and services as well as Olympic sponsorship
- Further increase in Operating Expenses imposes need for effective cost cutting actions
- Large scale Net Working Capital project begins to yield results





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# RomTelecom: On Target

- Productivity improvements; 235 lines per employee vs 181 lines per employee at 2003 year end
- Major Transformation Projects completed in IT infrastructure, Service Order Management, Sales Force Training and Certification and Fraud Management
- New tariffs effective June 1, 2004





**For further information  
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