



OTE

Focused on Restructuring

Morgan Stanley
4TH TMT Conference
Barcelona, Spain

18-19 November, 2004



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.

What's on our plate...

Current Trends

- OTE Group
- Greek Wireline

Restructuring Wireline

- Headcount Reduction
- Improving Operational Efficiency
- Regulatory Intervention

Re-shaping Organization

- International Wireline
- Mobile Operations

Conclusion



What's on our plate...

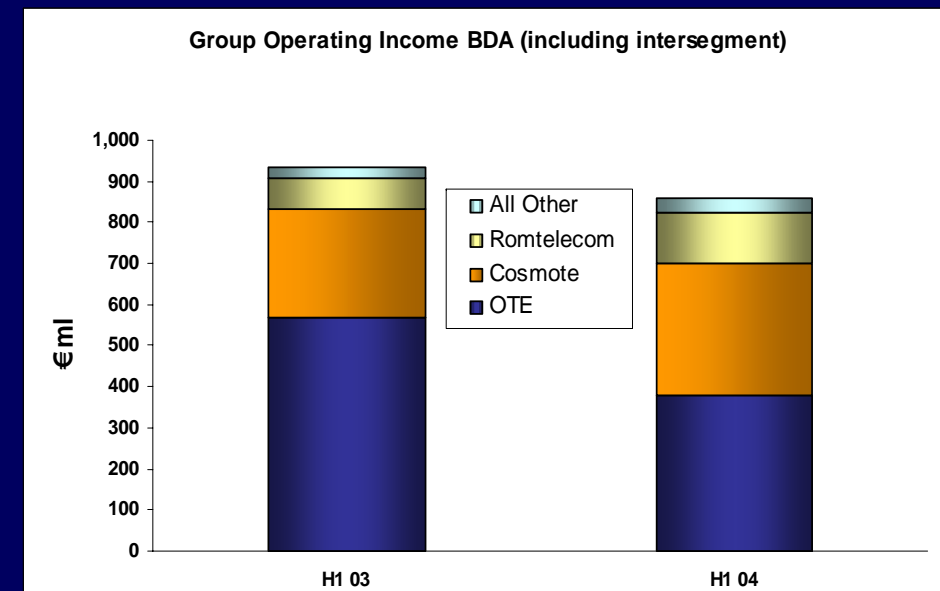
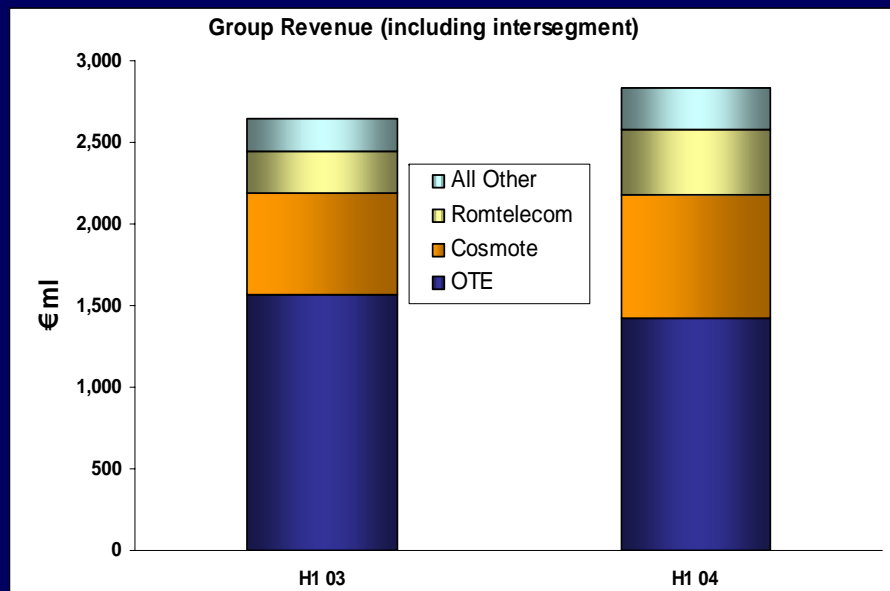
Wireline

- OTE: the Greek wireline service provider... tackling a host of social, competitive, regulatory, commercial and organizational issues
- RomTelecom: outstanding restructuring of Romanian wireline
- Small outlying operations in need of strategic solution

Mobile

- Cosmote: continuing success story, poised to assume ownership of international mobile assets
- Strong mobile operations in Albania, Bulgaria and FYROM
- Addressing Romanian mobile strategy

- H1 '04: revenues up nearly 9% YoY, fuelled by Cosmote and RomTelecom
- Greek Wireline Operating Income BDA contribution: 44% in H1 04 from 61% in H1 03

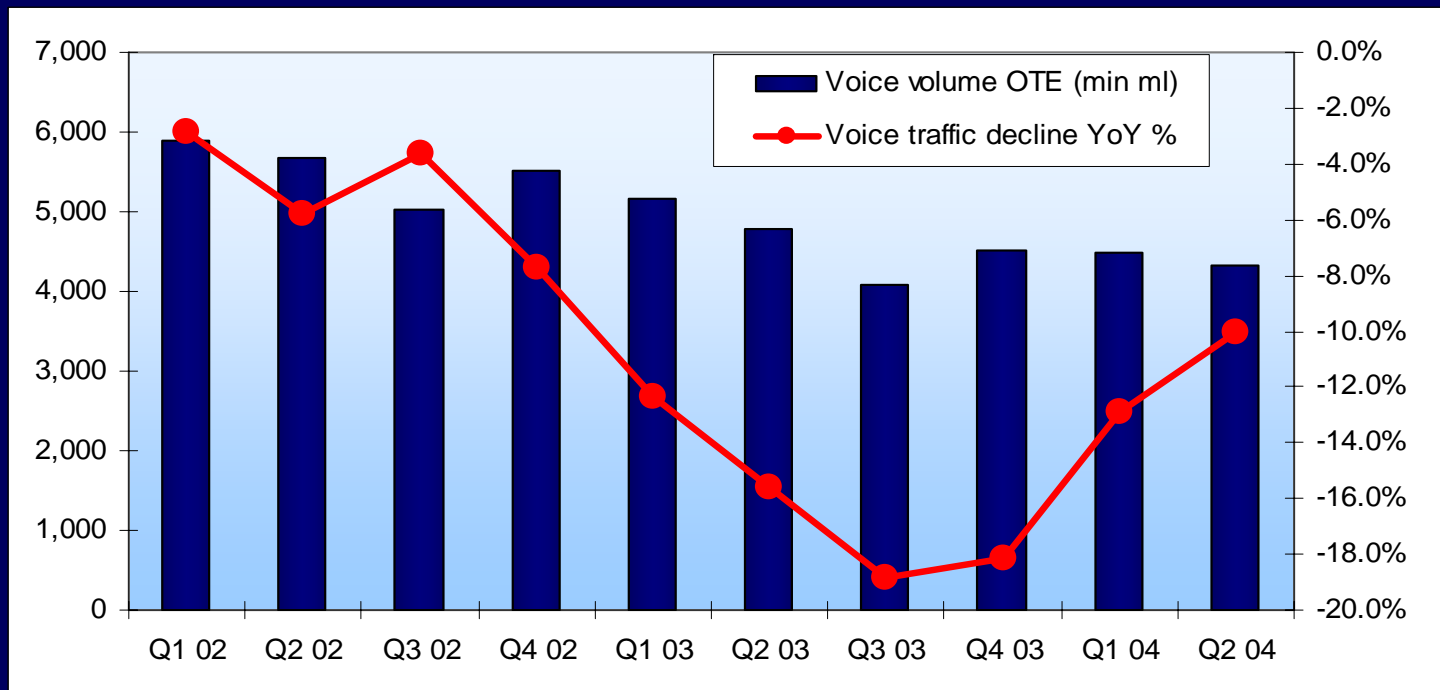


Trends

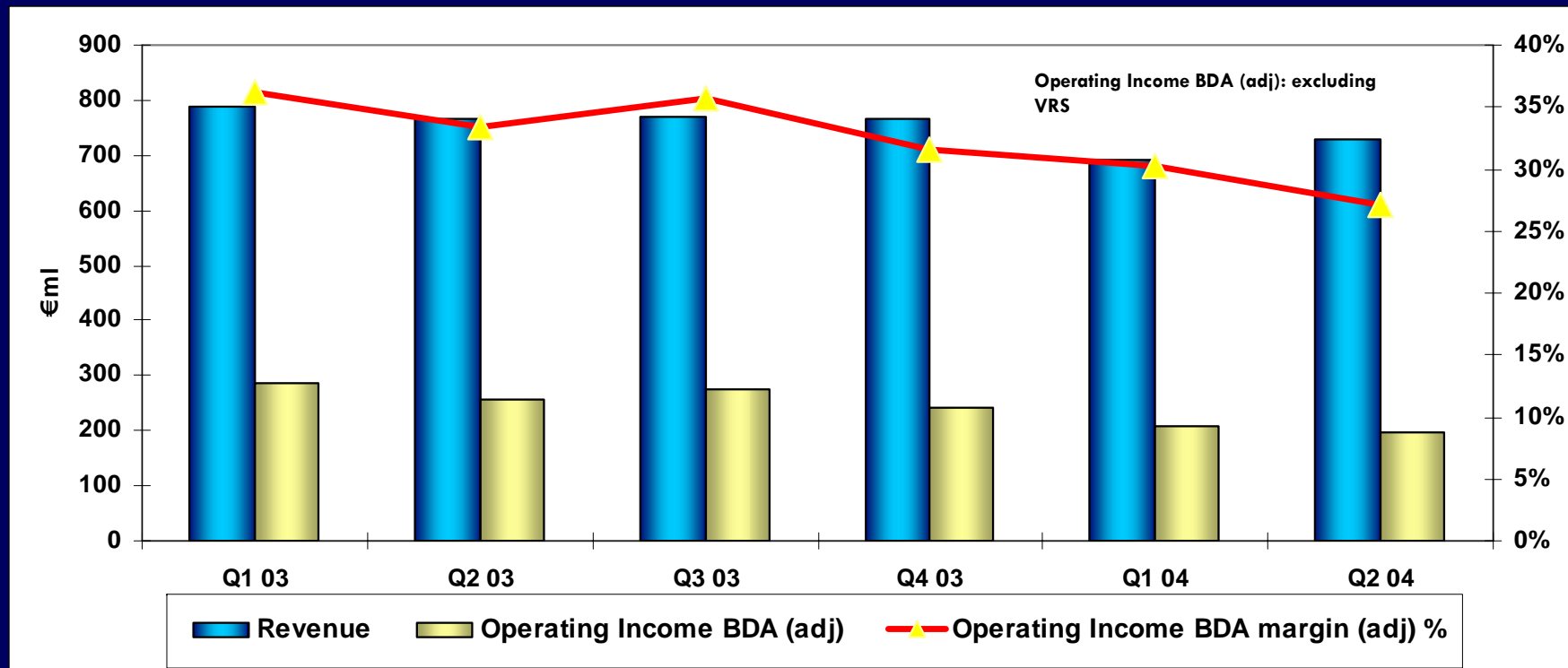
- Market share: 85% including internet, medium-term floor 75%
- Rate of traffic erosion slowing down
- Undercapitalized but aggressive competitors

Market share* EoQ %									
2002				2003				2004	
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
100	99	98	96	93	91	89	87	87	85

**total fixed originating traffic minutes including Internet*



- Total operating revenues holding up well but voice revenues down
- Operating margin squeezed by ongoing rise in cost base, notably payroll and "Other Operating Expenses"
- Need for sharp headcount reduction and OPEX control





Restructuring Greek Wireline

Headcount Reduction

Voluntary Early Retirement	<ul style="list-style-type: none"> • Approximate no. of employees eligible for retirement: 6,200; one-third of OTE workforce
Cost Components	<ul style="list-style-type: none"> • Bonus and/or % of salary • Employer and employee contributions • Pension
Government Role	<ul style="list-style-type: none"> • Restructuring plan's implementation subject to government legislative action, therefore not under the complete control of OTE • Change impeded primarily by OTE employees' civil servant status
Unions	<ul style="list-style-type: none"> • Reserved position until final plan is presented and government's stance is clarified • Negotiations underway
Funding	<ul style="list-style-type: none"> • Borrowings • Asset disposal • Monetization of real estate
Impact on P&L	<ul style="list-style-type: none"> • To be quantified when plan is finalized
Timing	<ul style="list-style-type: none"> • Detailed personnel reduction plan to be presented to government and unions early December • Implementation of headcount reduction plan along with organizational restructuring in H1 2005



Restructuring Greek Wireline

Improving Operational Efficiency

New Organizational Structure

- Reduced number of regions: from 12 to 4-5
- Tackle overlapping business areas

HR initiatives

- New recruits needed in selective areas:
 - Technology
 - Commercial
 - Financial



Restructuring Greek Wireline

Improving Operational Efficiency

Rationalize operations

- Divest, spin off, sell or shut down non-core assets/business

Cost base control

- Budget conscious
- Improve credit policies and collection
- Bring CAPEX/Sales ratio to European peer group levels



Commercial Strategy

- Accelerate broadband rollout, promote wholesaler distribution of ADSL (2005 ADSL subscribers target - 140,000)

- Tariff rebalancing
 - Monthly Rental

 - Voice tariffs



Restructuring Greek Wireline Regulatory Intervention

Challenges

- Volatile regulatory environment
- Absence of well-defined telecommunication policy
- Intervention in OTE's credit policy initiatives with alternative carriers
- Exposing OTE to financially unsound carriers
- Divergence from EU standards

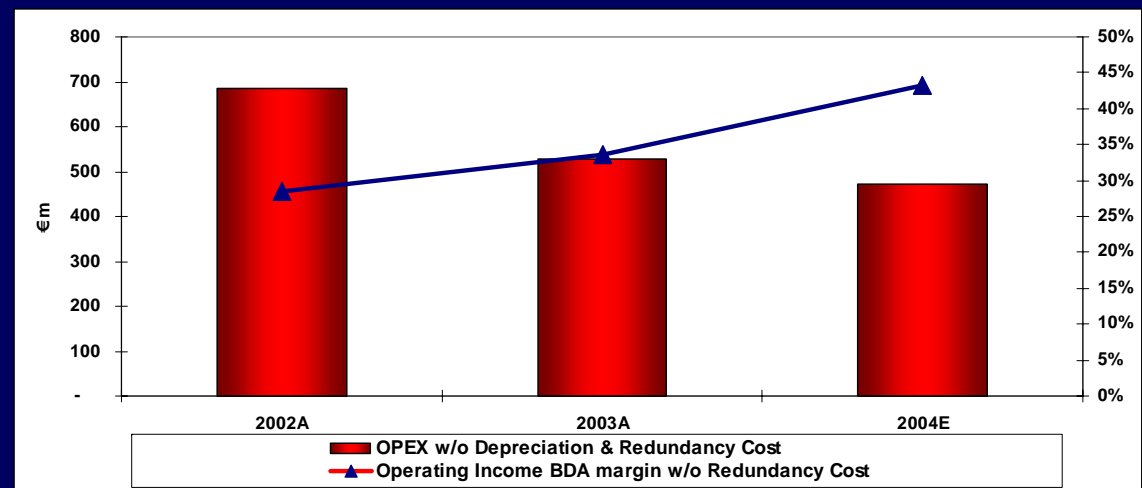
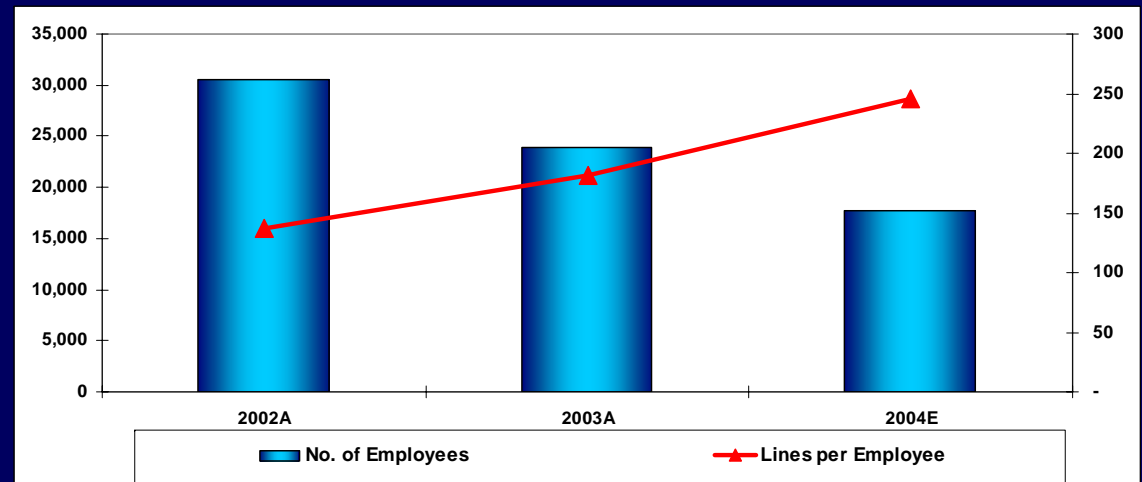
Romania-RomTelecom

Restructuring

- Squeezed cost base
- Started delivering good margins

Tariff rebalancing

- Improved revenue per line
- Tariffs denominated in €



*Romtelecom standalone figures



Armenia - Armentel

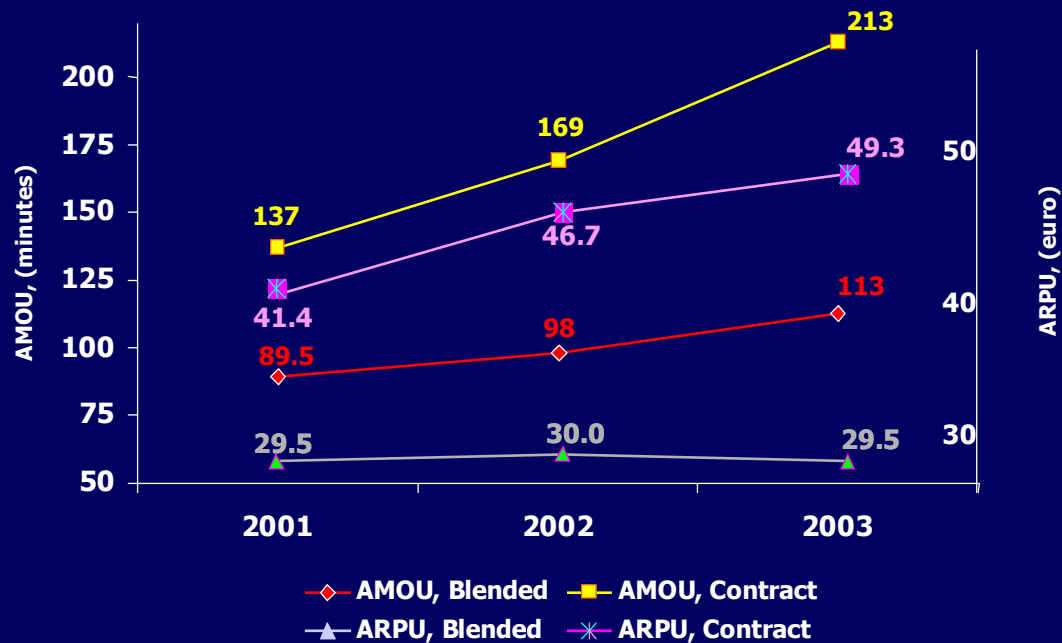
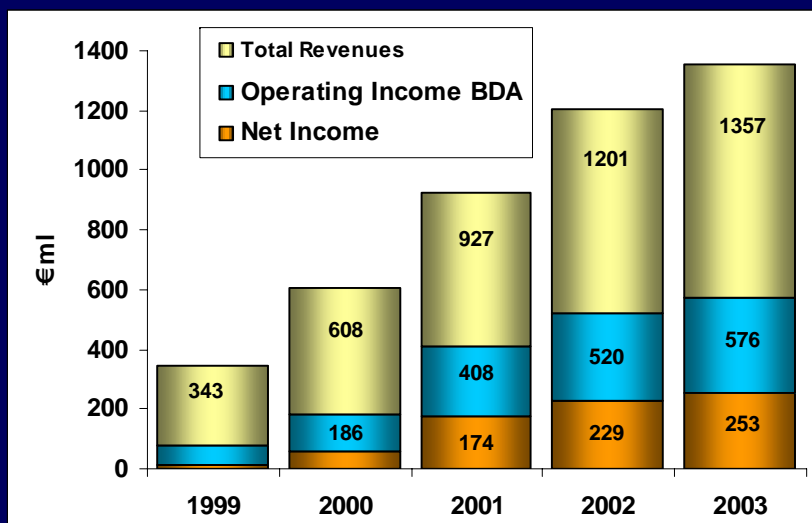
- Negotiations underway for termination of legal disputes with Armenian Government
- Interested buyers

Serbia - Telekom Srbija

- Negotiations concluded with Serbian Government - termination of legal disputes
- Objective: Normalization of OTE's role in the management of Telecom Serbia
- Continued interest in acquiring stake in mobile unit

Clear and defined strategy

- Cosmote: OTE's Mobile Arm, responsible for all mobile OpCos
 - Achieving economies of scale and enhancing bargaining power
 - Leveraging Cosmote's Know-How





Globul (Bulgaria)

- Revenue: H1 04 € 73.7 million (86.6% YoY growth)
- Net income positive by end of 2004
- 98% population coverage
- 94 % geographical coverage
- Penetration: currently 37%; expected to exceed 60% in the medium term

Cosmofon (FYROM/Macedonia)

- Network rollout complete
- Revenue: H1 04 € 9.6 million

Management determination

- Resolute attack on cost base
- Reinvigorated commercial strategy
- Unification of mobile operations
- Further streamline asset portfolio, in Greece and abroad