

OTE

OTE: Driving the Group Forward

Morgan Stanley 7th Annual TMT Conference,
Barcelona, November 2007

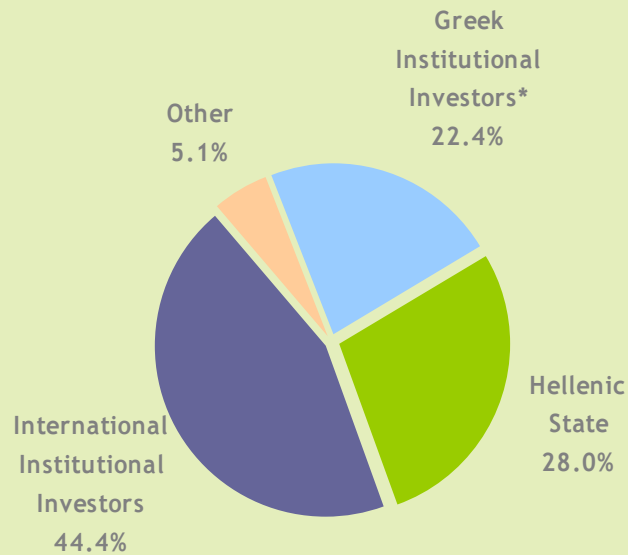
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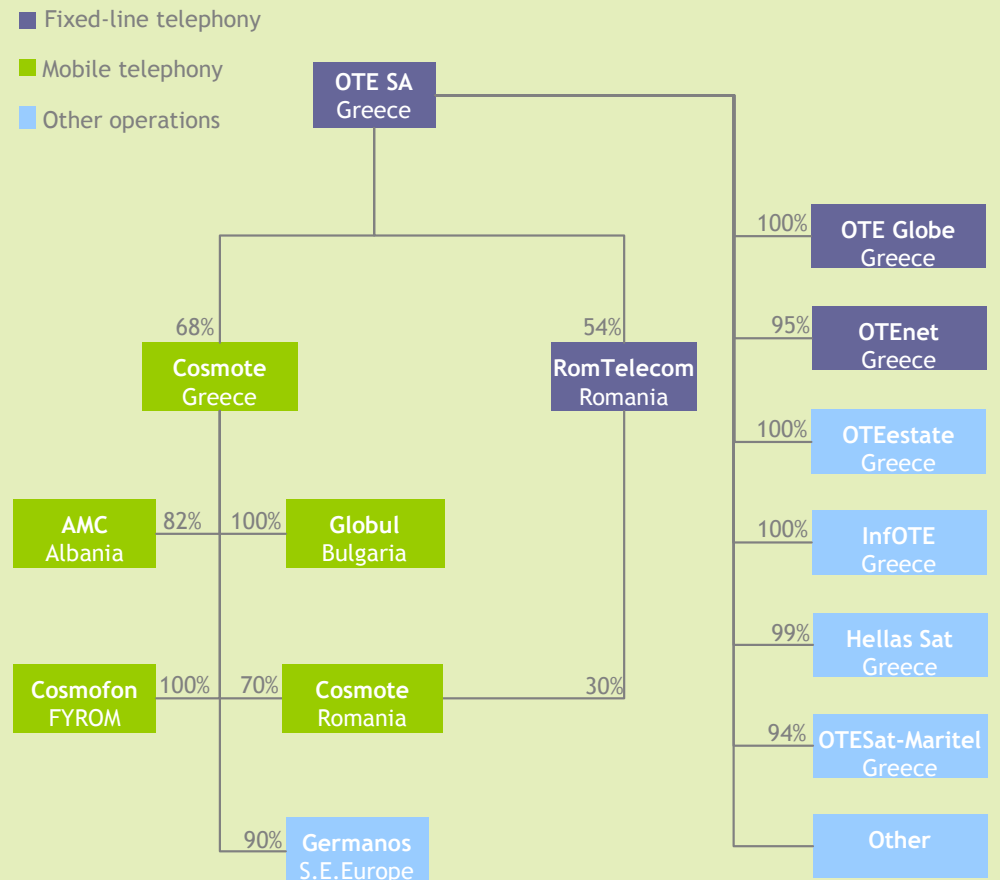
| OTE Group Overview

Shareholder Structure (Nov 2007)



- Leading integrated telecommunications operator
- Listed on Athens (HTO GA), London (OTES LI), and New York Stock Exchange (OTE)
- Market capitalization (Nov 2007): above €12bn
- Group Q2 07 Revenues: €1,551mn; EBITDA: €544mn

Group Structure⁽¹⁾



* Includes Marfin Investment Group (MIG GA, MIGr.AT) holding of c. 15%

⁽¹⁾ Major Companies of the Group

Voice, Mobile and Data Leader in Southeast Europe

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BULGARIA

Challenger

Mobile market share: 40%

Customers (000): 3,573

GREECE

Incumbent/ Leader

Total Lines (000): 6,082

ADSL Subscribers (000): 675

Mobile market share: 37%

Customers (000): 5,684



ROMANIA

Incumbent/ Leader

Total Lines (000): 3,087

ADSL Subscribers (000): 176

Mobile market share: 11%

Customers (000): 2,216

In 2006 the OTE Group acquired Germanos, the largest retailer of technology products in Southeast Europe

FYROM

Challenger

Mobile market share: 34%

Customers (000): 516

ALBANIA

Leader

Mobile market share: 52%

Customers (000): 1,091

OTE also owns 20% of Telecom Serbia, the incumbent operator in Serbia

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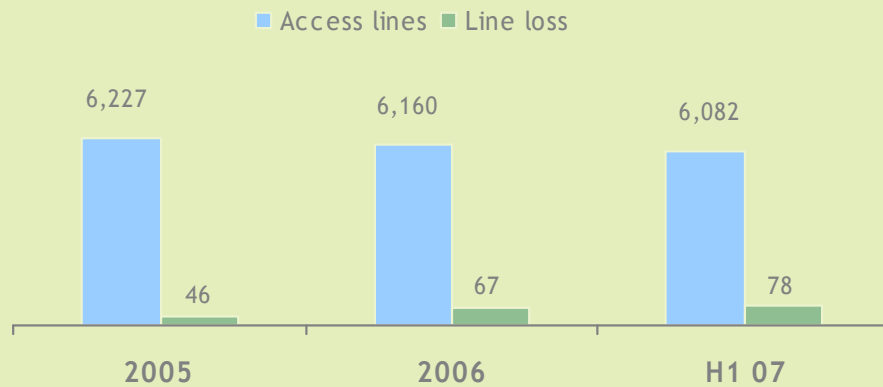
| Business Review

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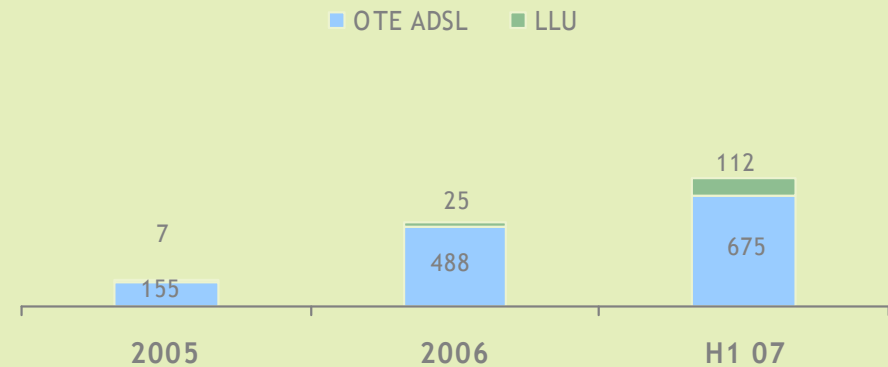
Greek Fixed-line

Greek Fixed-line Trends

OTE access lines and line loss evolution (000)



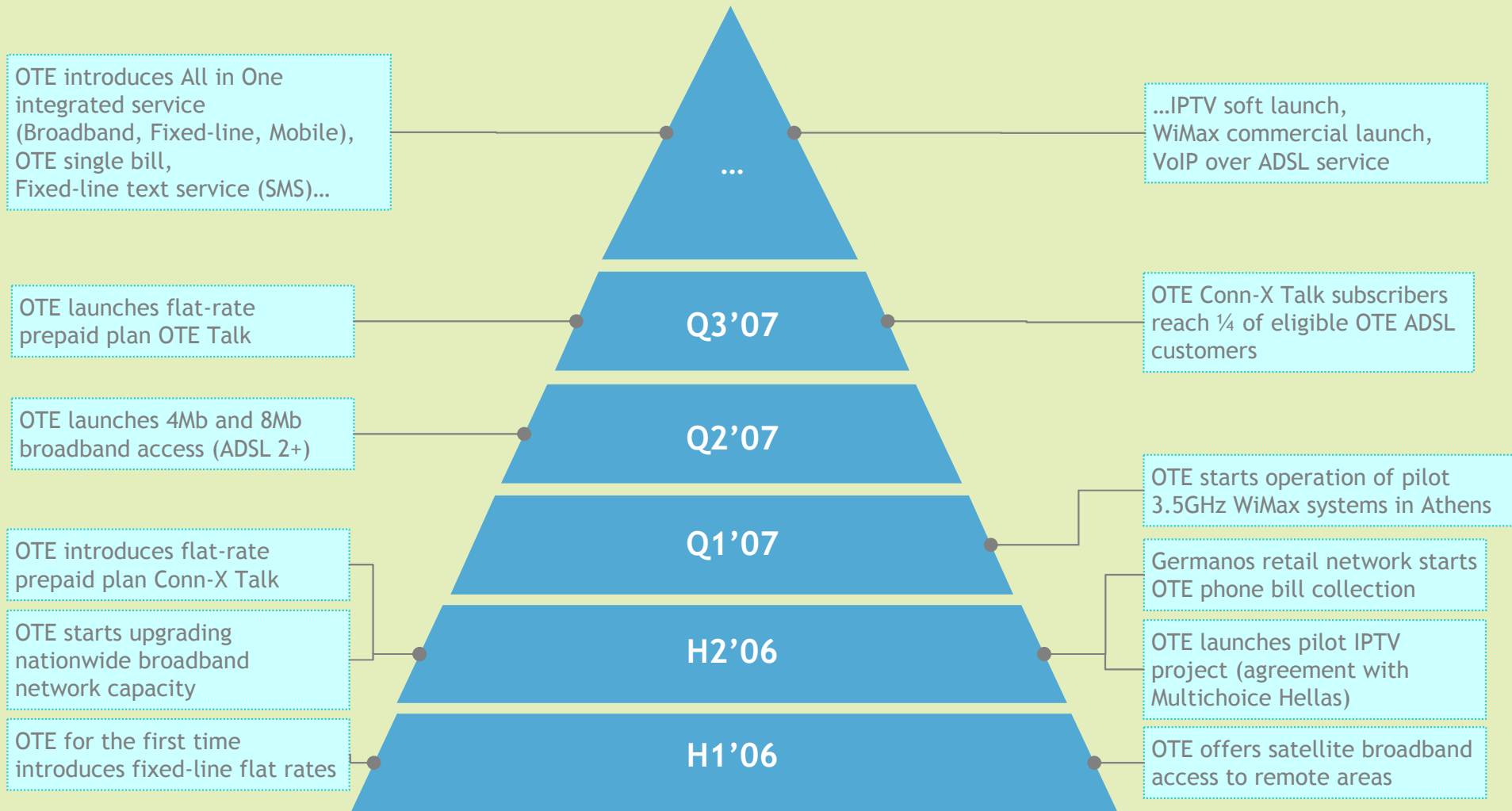
Broadband market evolution (000)



- Market de-regulation in 2001 triggered gradual market share and line loss for OTE
 - Intense voice resale competition post-2002
 - Aggressive 2-play offerings as of 2007 and onwards

- Challenging top-line environment calls for radical efficiency measures:
 - Cost containment and rationalization (payroll-related and non-payroll)
 - Improved customer support and post-sales service
 - Heightened commercial policy and accelerated product development

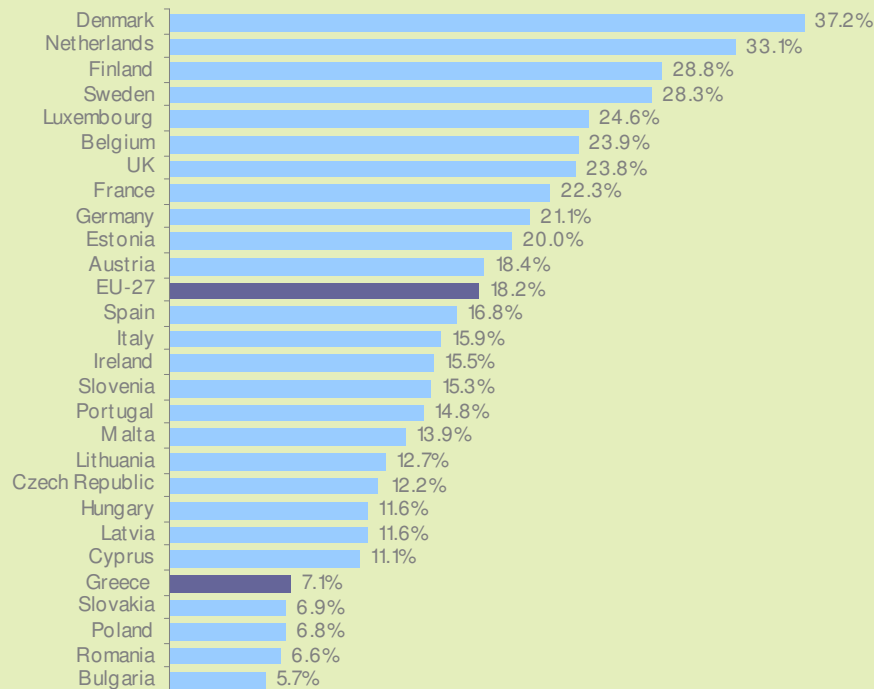
Product Offering Evolution



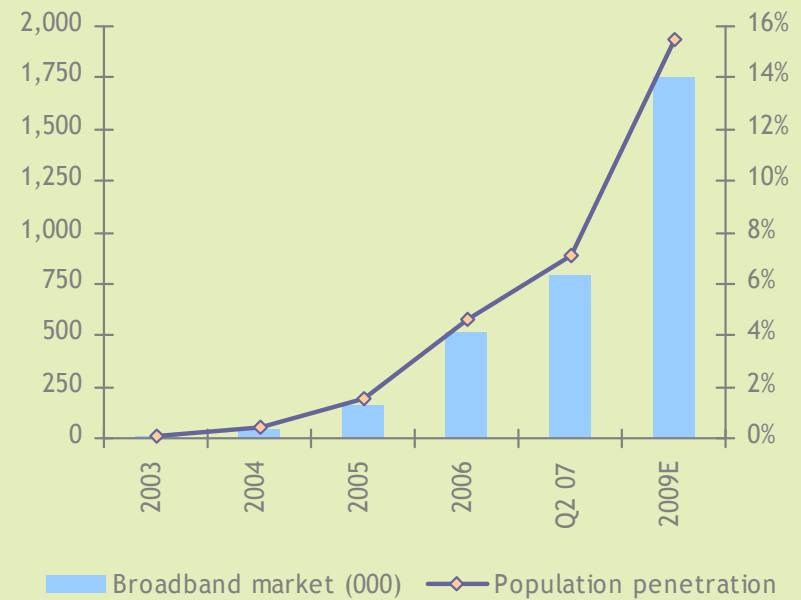
Greek Broadband Update

- Extensive marketing campaign boosting demand
- Strong broadband take-up rate, rapidly growing LLU
- Total ADSL market expected to exceed 1.05 million in 2007 and 1.7 million subscribers by end-2009

Broadband penetration rate as % of population



Greek ADSL Market Trend & Penetration



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Mobile Operations-Cosmote

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Operations Overview

Greece, #1 rank
37% market share

- Top-line growth still driven by subscriber numbers and usage growth
- Competition remains rational, no market disruption

Romania, #3 rank
11% market share

- Further upside in mobile penetration
- Focused on increasing market share

Bulgaria, #2 rank
40% market share

- Steady increase of high-end customers
- Defend market share against third entrant

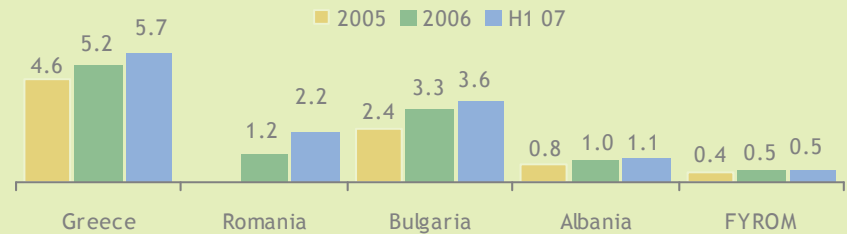
Albania, #1 rank
52% market share

- Largely a pre-paid market
- Consolidating market position

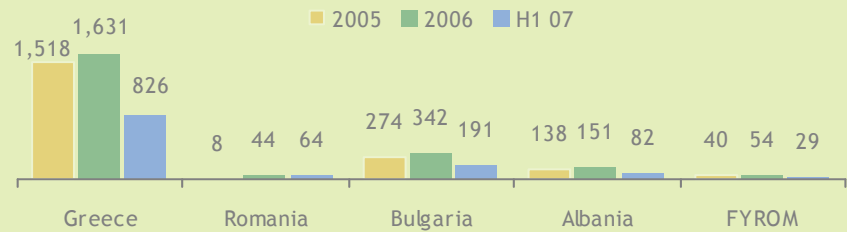
FYROM, #2 rank
34% market share

- Positive impact of operating leverage on margins
- Confront third entrant

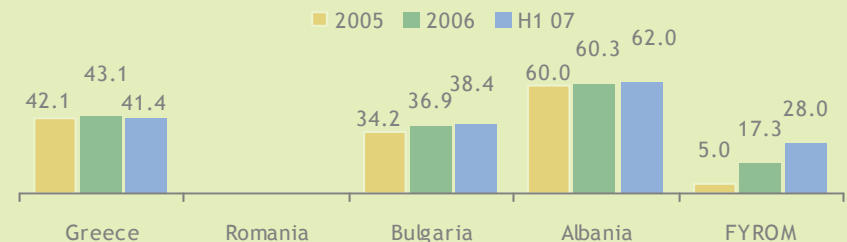
Customer base evolution (mn)



Revenue evolution (€ mn)



EBITDA margin evolution (%)



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Cosmote Voluntary Cash Public Offer

Transaction Rationale

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Strategic

- Transform OTE into “One Efficient Group” for all telephony services
 - Improve responsiveness to customer needs
 - Enhance competitive advantage through combined services offerings, while maintaining operational independence
- Increase focus on convergence at service, product and network levels
 - Enable OTE to respond in an increasingly challenging competitive environment
- Defend market position

Operational

- Single source service providers across all functions
- Alignment of all key activities
 - Primary: procurement, IT/network, distribution, commercial/sales
 - Support: corporate management, product development, customer support, organisation
- Ability to capture full benefit of synergies from Germanos across the Group
- Capacity to move toward combined billing

Transaction Rationale (cont'd)

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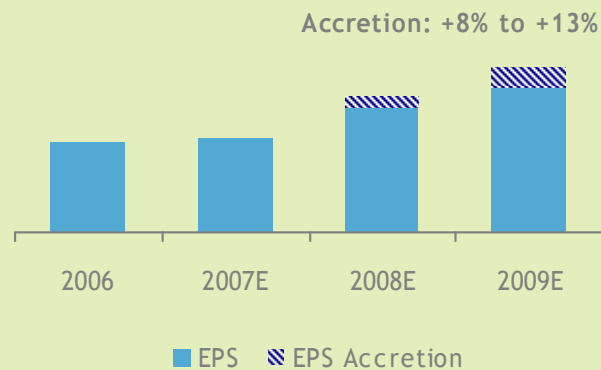
Financial

- Implement transaction accretive on earnings to OTE shareholders
- Gain full access to Cosmote's cash flow and eliminate dividend leakage
- Optimize capital structure
- Raise financing compatible with current OTE rating levels
- Reduce valuation volatility from elimination of listed subsidiary
- Take full advantage of synergistic potential

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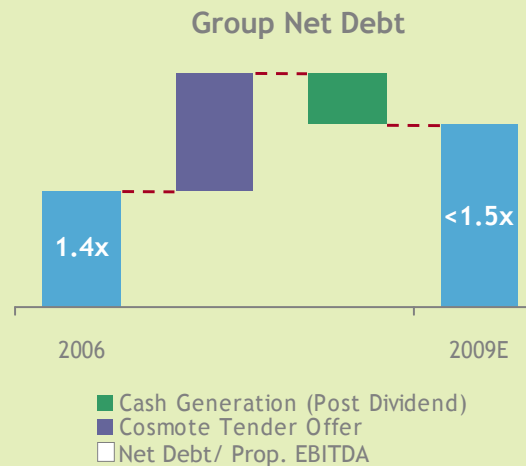
Financial Implications

EPS Accretion



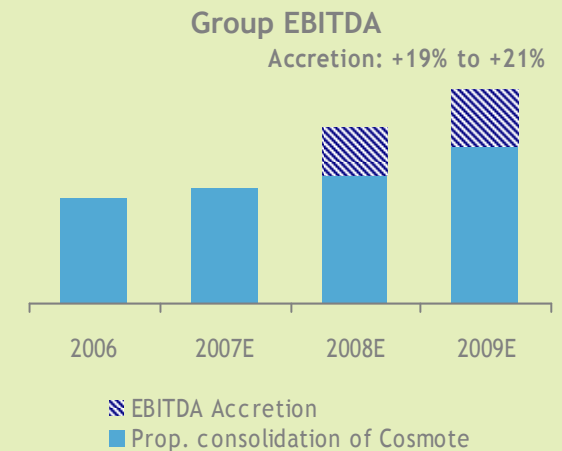
- Transaction accretive already in 2008, first year of full benefit

Control of Cosmote's Cash Capital Structure Optimization



- OTE to benefit from unrestricted access to Cosmote's liquidity position
- Elimination of analyst adjustment on Cosmote's cash position

EBITDA Consolidation Savings on Dividend Leakage



- OTE Group Proportionate EBITDA increases, allowing for stronger cash flow metrics
- No dividend leakage

Enhanced cash flow retention and ability to fully access Cosmote cash improves overall credit profile

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RomTelecom

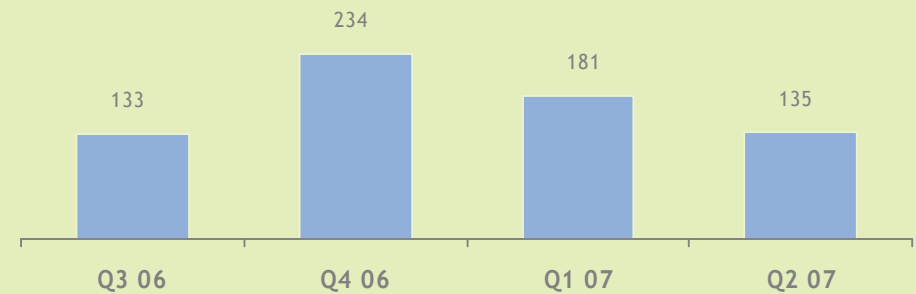
Key Developments

- New management team since Q1 07
- Shift of focus towards a more customer-oriented approach
 - Set up of 2 commercial units, dedicated to business and residential clients
 - Fixed-line value (flat rate) plans offered since Q2 07
 - Lower monthly fees for ADSL subscriptions (up to 4Mbps) since Q2 07
 - Satellite TV - digital television offer, under Dolce brand, launched in late 2006

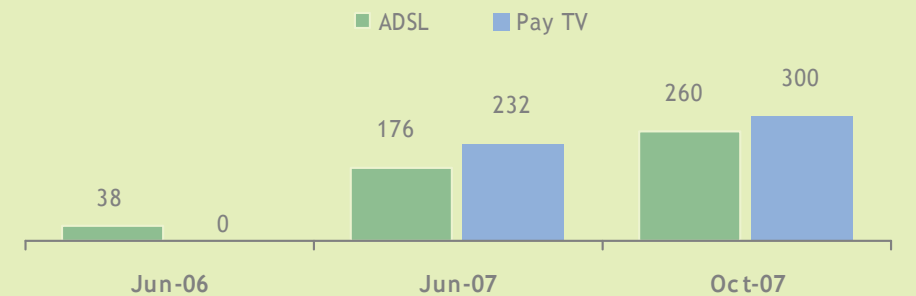


- Churn contained so far
 - Monthly line loss as low as c. 30K in Sep 07
- DSL subscriber take-up accelerates
 - 87K already in H1 07 from 81K in FY 06; Customer base of 260K in Oct 07
- Pay TV offering well accepted
 - Customer base of 300K in Oct 07

RomTelecom line loss evolution (000)



RomTelecom Broadband/ Pay TV subscribers (000)

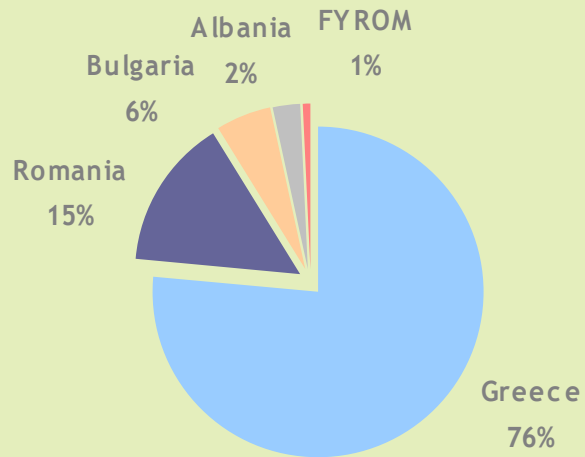


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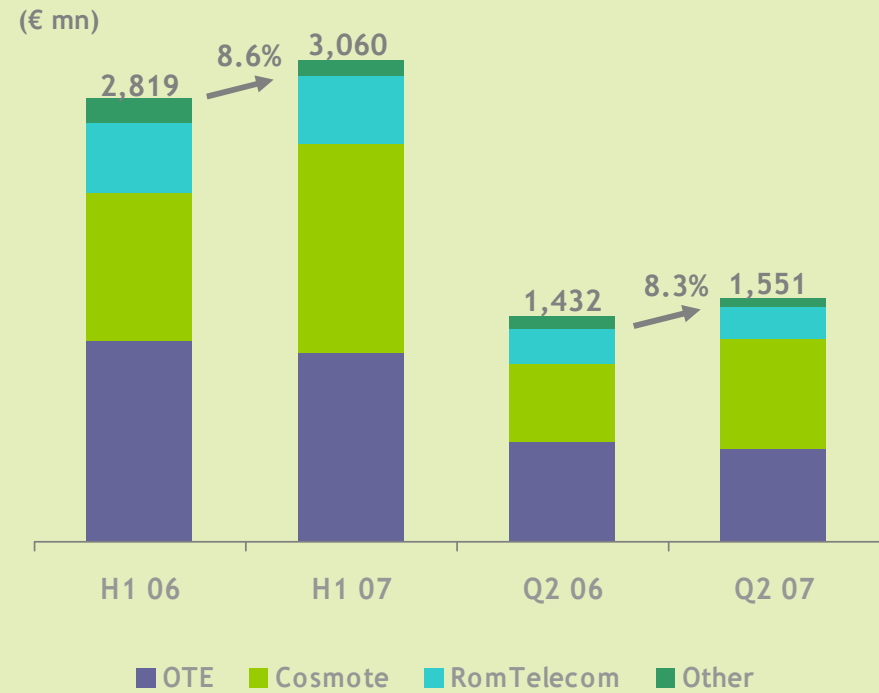
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Revenue Trends

Gross Revenue Mix by Region (H1 07)



Group Revenues



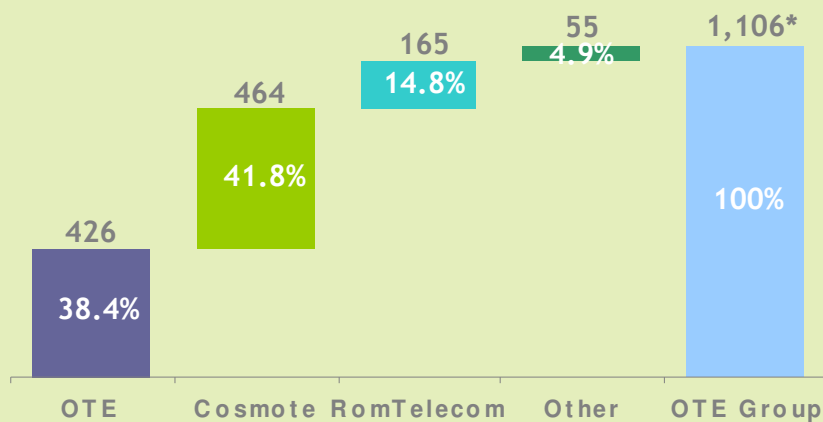
- Q2 Group Revenues up 8.3% reflecting consolidation of Germanos and disposal of ArmenTel
- Comparable Group Revenues up approx. 3% mainly driven by ADSL and mobile telephony

EBITDA Trends

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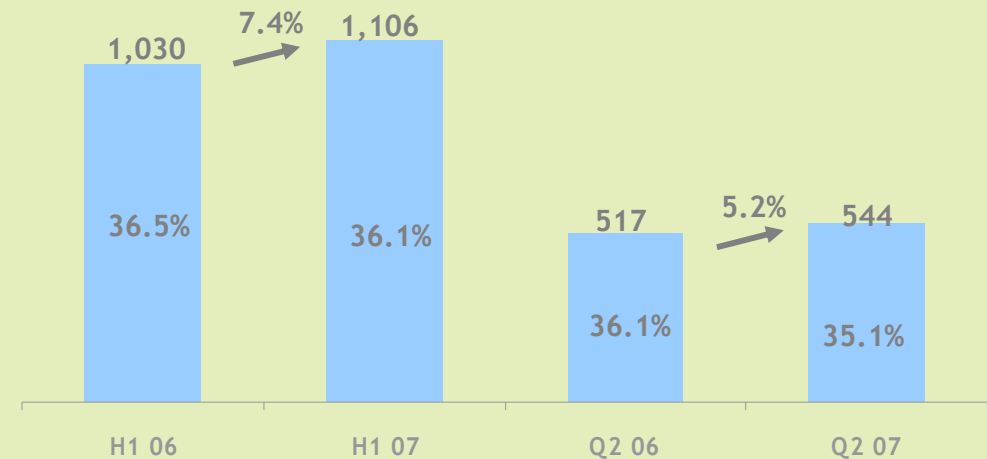
EBITDA Mix (H1 07)

(€ mn)



EBITDA Margin Trends

■ EBITDA (€ mn) ■ EBITDA margin %



- Greek fixed-line revenues under pressure from unbundling
- Margin pressure in mobile operations from international expansion and Germanos acquisition
- Stable RomTelecom margin

- EBITDA margin drop due to the consolidation of low-margin Germanos and the disposal of high-margin ArmenTel

Note: H1 07 EBITDA in the above graphs does not include provisions related to OTE's new employee exit program

* Incl. €2.6mn intercompany eliminations

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Cash Flow Trends

Cash Flow

(€ mn)



- Group Capital Expenditure in Q2 07 up 5.7% from Q2 06 reflecting:
 - ✓ Higher investments in Greek fixed-line
 - ✓ Investments in RomTelecom
- Expected 2007 CAPEX lower than Business Plan guidance (€1.24bn)
- Maintaining strong FCF (Gross) despite CAPEX increase and VRP-related cash outflows

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| Outlook

Looking Forward

OTE Group	2006-09 CAGR
Revenues	+6% to 7%
Payroll & benefits	-0.5% to -1.5%
Total OPEX	+4.5% to 5.5%
EBITDA	+8% to 9%

Greek Fixed-line	2006-09 CAGR
Revenues	-4% to -5%
Payroll & benefits	-4.5% to -5.5%
Total OPEX	-6% to -7%
EBITDA	+0.5% to 1.5%

- Capitalize on leading positions in Greek telecommunications market - fixed, mobile, broadband...
- Move towards Group-wide offerings based on bundled (Broadband, Mobile, Fixed) products and services
- Optimize distribution channels
- Maintain momentum of mobile operations in Greece and abroad
- Confront rising competition in Romania and minimize churn
- Focus on returns to shareholders

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| Appendix

Greek Fixed-line Regulatory Environment

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	Regulatory issues	Regulatory action
Overall	<ul style="list-style-type: none"> ■ 2006-07 agenda: <ul style="list-style-type: none"> - Transposition of new regulatory framework into national legislation - Public consultations; Market analyses - Co-location; LLU provision 	<ul style="list-style-type: none"> ■ Full ULL rate at €8.48/month, July 07 ■ Shared access rate at €1.86/month, July 07 ■ Expectations for 150 physical co-locations until Dec 07 ■ Expectations for 600K available local loops until Dec 07 ■ 2006 cost audit finalized Jan 07, 2007 audit finalized Jul 07, 2008 audit to be finalized end-07
Retail	<ul style="list-style-type: none"> ■ Public consultations <ul style="list-style-type: none"> - Retail markets ■ Margin squeeze 	<ul style="list-style-type: none"> ■ OTE flat-rate offer Conn-X Talk temporarily suspended, July 07; offer allowed, July 07 ■ OTE flat-rate offer OTE Talk temporarily suspended, Sep 07; offer allowed under conditions, Oct 07
Wholesale	<ul style="list-style-type: none"> ■ Reference Offers (RIO, RBO, RUO) completed until Jul 07 ■ Public consultations <ul style="list-style-type: none"> - Wholesale markets ■ Margin squeeze 	<ul style="list-style-type: none"> ■ Local loop due date at 13 working days, Jul 07 ■ Fines imposed on OTE <ul style="list-style-type: none"> - €20mn for DSL margin squeeze practices, Jul 07 - €3mn (Oct 07) and €1.25mn (Jul 07) for breaching LLU requirements - €5.5mn for leased lines issues, Jul 07 ■ Fines imposed on unbundlers <ul style="list-style-type: none"> - €3.35mn for LLU malpractices, Jul 07

Competitive Landscape

Trends

- LLU uptake increases significantly during 2007, mainly due to aggressive pricing/promotion
- Alternative operators increasing their market share
- EBITDA losses for unbundlers due to customer acquisition costs
- Early consolidation signs

Wind Hellas: #3 mobile operator; building with Tellas (the #1 “alt-net” operator in Greece) a converged Greek telecom platform

Vodafone: #2 mobile operator; 3-year agreement with HoL for the provision of converged services

Forthnet: Considerable investments on network and LLU roll-out

Lannet: Plans to launch a double/triple play LLU offer

Vivodi: Aims at LLU coverage in Athens and Thessaloniki, offering triple play IPTV services

Hellas On Line: Network used by Vodafone for DSL products

ON Telecoms: Double/triple play LLU offers

Revenues (€ mn)			
	2004	2005	2006
Tellas	109.6	117.3	118.3
Forthnet	80.6	91.6	97.6
Lannet	68.6	55.1	60.9
Vivodi	14.7	26.3	43.0
Teledome	35.5	43.8	39.0
HoL	19.0	24.1	33.1
ON	-	-	-
Total	327.9	358.0	392.0

EBITDA (€ mn)			
	2004	2005	2006
Tellas	0.9	0.4	3.1
Forthnet	13.7	13.5	(5.0)
Lannet	(6.0)	0.8	0.2
Vivodi	(1.2)	(0.3)	-
Teledome	5.0	4.6	5.1
HoL	4.4	0.3	(13.5)
ON	-	-	-
Total	16.9	19.3	(10.0)

Greek Fixed-line Financial Highlights

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IFRS (€ mn)	Q2 07	Q2 06	% Diff	H1 07	H1 06	% Diff
Revenues	657.5	692.6	-5.1%	1,318.4	1377.3	-4.3%
Operating Income	71.0	68.7	3.3%	147.1	117.6	25.1%
Pro Forma EBITDA	197.4	199.9	-1.2%	425.7	383.5	11.0%
Pro Forma EBITDA margin	30.0%	28.8%	1.2pp	32.3%	27.8%	4.5pp
CAPEX as % of Revenues	10.8%	5.0%	5.8pp	8.5%	7.0%	1.5pp

Cosmote Financial Highlights

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IFRS (€ mn)	Q2 07	Q2 06	% Diff	H1 07	H1 06	% Diff
Revenues	738.4	540.7	36.6%	1,426.0	1,037.1	37.5%
EBITDA	248.4	203.6	22.0%	463.6	394.6	17.5%
EBITDA margin	33.6%	37.7%	-4.1pp	32.5%	38.1%	-5.6pp
Net Income	101.6	81.5	24.6%	176.3	156.7	12.5%
Net Income margin	13.8%	15.1%	-1.3pp	12.4%	15.1%	-2.7pp
CAPEX as % of Revenues	15.5%	25.5%	-10.0pp	15.6%	19.6%	-4.0pp
				Jun 07	Dec 06	
Net Debt				2,393.5	2,432.4	-1.6%

RomTelecom Financial Highlights

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IFRS (€ mn)	Q2 07	Q2 06	% Diff	H1 07	H1 06	% Diff
Revenues	217.3	217.1	0.1%	439.4	440.0	-0.1%
Operating Income	(0.8)	6.1	-	25.8	32.5	-20.6%
EBITDA	73.9	71.7	3.1%	164.6	166.7	-1.3%
EBITDA margin	34.0%	33.0%	1.0pp	37.5%	37.9%	-0.4pp
CAPEX as % of Revenues	21.3%	14.6%	6.7pp	26.2%	13.5%	12.7pp
				Jun 07	Dec 06	
Net Cash Position				69.8	50.5	38.2%

OTE Group Financial Highlights

IFRS (€ mn)	Q2 07	Q2 06	% Diff	H1 07	H1 06	% Diff
Revenues	1,551.3	1,431.8	8.3%	3,059.9	2,818.6	8.6%
Operating Income	252.8	237.5	6.4%	513.1	465.8	10.2%
Pro Forma EBITDA	544.3	517.5	5.2%	1,106.0	1,030.1	7.4%
Pro Forma EBITDA margin	35.1%	36.1%	-1.0pp	36.1%	36.5%	-0.4pp
Net Income	136.6	112.1	21.9%	277.5	221.9	25.1%
Basic EPS (€/share)	0.2786	0.2287	21.9%	0.5661	0.4527	25.1%
Cashflow from Operations	352.1	416.0	-15.4%	672.7	788.8	-14.7%
CAPEX as % of Revenues	15.7%	16.1%	-0.4pp	15.3%	14.2%	1.1pp
				Jun 07	Dec 06	
Net Debt				2,321.2	2,548.0	-8.9%

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 2006 filed with the SEC on June 28, 2007. 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"

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