



**The leading mobile operator  
in the Balkan Region**

# The Greek Cellular Market

OPERATOR/ LAUNCH DATE	2G SPECTRUM	MARKET SHARE <sup>1</sup>	3G LICENSE
<b>COSMOTE</b> April '98	DCS-1800/2x25 MHz	37.3%	2x15 MHz FDD + 5 MHz TDD
<b>VODAFONE</b> July '93	GSM-900/2x15 MHz & DCS 1800/2x15 MHz <sup>2</sup>	36.0%	2x20 MHz FDD + 5 MHz TDD
<b>STET Hellas</b> July '93	GSM-900/2x10 MHz & DCS-1800/2x5 MHz <sup>2</sup>	26.7%	2x10 MHz FDD + 5 MHz TDD
<b>Q-Telecom</b> June '02	DCS-1800/2x10 MHz <sup>2</sup> (INFOQUEST)_____	0%	Does not own

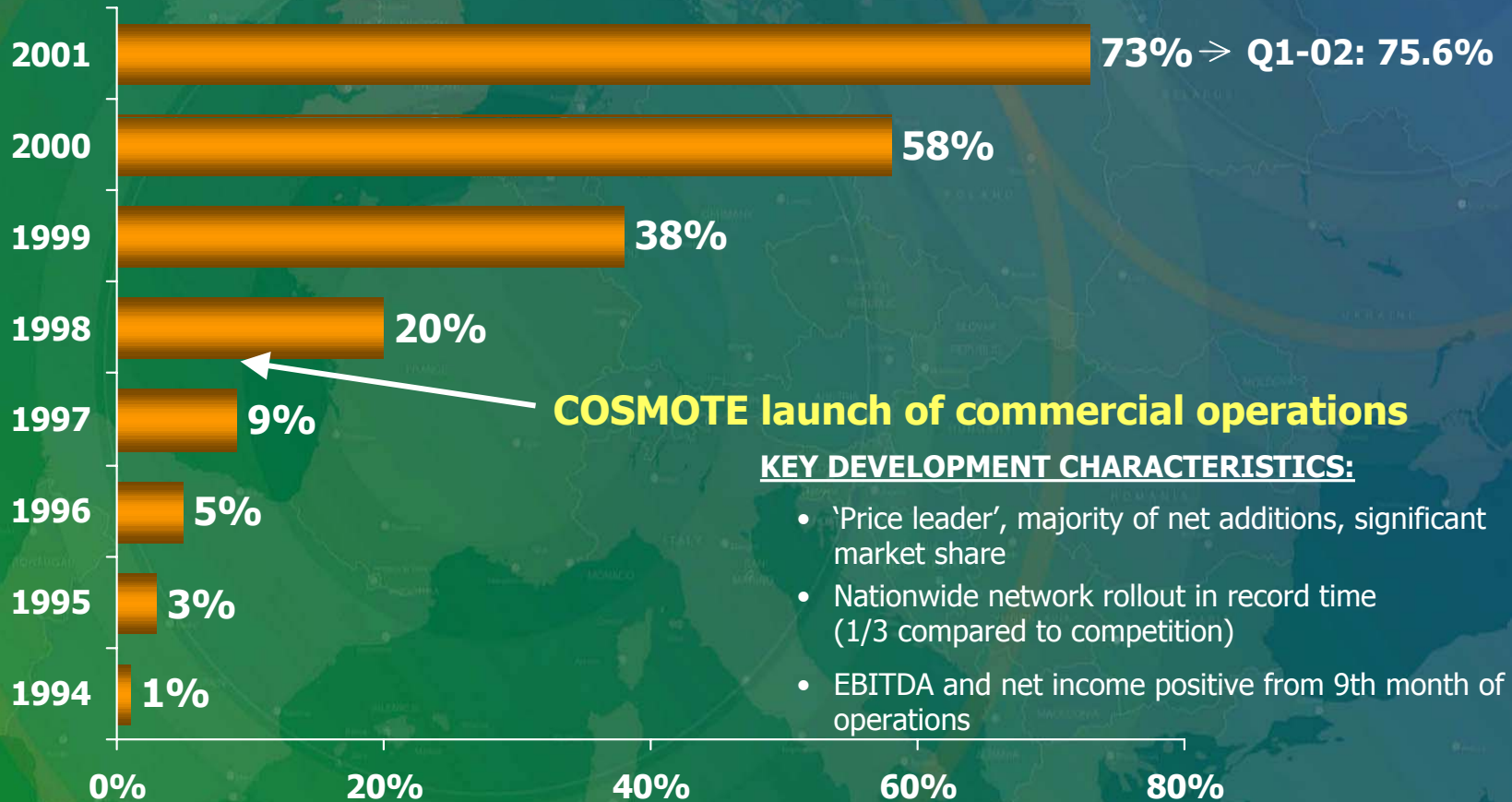
<sup>1</sup> As at 31.03.2002 (Q1-02)

<sup>2</sup> License awarded in July 2001

# COSMOTE's entry in the market ...



## Evolution of Greek wireless penetration



... transformed mobile telephony to a mass market product

# Rapid growth in just 4 years

② **Launch** (Apr. 1998)



**Started Commercial Operations**  
**Third mobile operator in Greece**  
**Five years after competitors**

② **Today** (May 2002)



**N° 1 in total customers (37.3% ms)**  
**N° 1 in contract segment (49% ms)**  
**N° 2 in prepaid segment (30% ms)**  
**EBITDA margin 43% (Q1-02)**  
**Significant returns of AMC, subsidiary**

② **IPO** (Oct. 2000) &  
**Stock Performance**



**Started trading on the ASE / LSE**  
**2<sup>nd</sup> best among all listed European telecom stocks during year 2001**  
**Best performance of FTSE/ASE -20 (+32.6% y-o-y)**

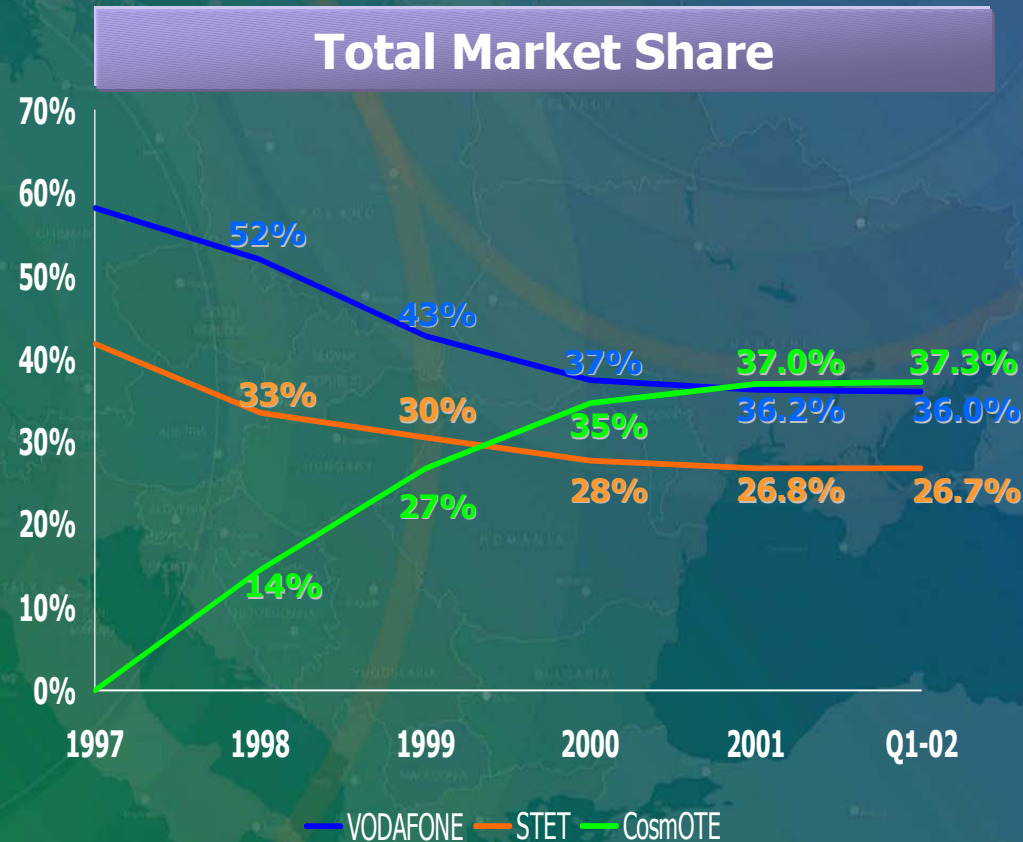
SHAREHOLDERS (31.12.2001):

OTE:	59%
TELENOR:	18%
WR COM:	7%
FREE FLOAT:	16%

# Clear market dominance ...



- ② COSMOTE gains the vast majority of net new additions during the last 2.5 years (quarter ave 46.7%)
- ② In 2001, COSMOTE had the largest market share of net new additions in both segments (contract 54.4% and prepaid 40.1%)
- ② Strong Q1-02, with 48% of total new adds and more important 52.8% of prepaid (where the market grows)



Source: Company publications

... rewards our customer oriented strategy

# Our Vision ...

**Customer-centric philosophy**

**Product and Services innovation (VAS)**

**Ongoing network superiority**



**Integrated solutions / new ventures**

**Geographical expansion**

**... to reinforce our dominant position on all fronts and become one of the best five mobile operators in Europe**

# Our strategy ...

② **Sustain successful customer-oriented strategy**



- Consistent, clear tariffing policies
- Reward customer loyalty
- Emphasis on business customers

② **Maintain network superiority**



- The largest and most advanced existing 2/2.5G network in Greece
- Preparation for fast and cost effective transition to 3G / UMTS

② **Offer quality value added services**



- Mobile and Voice portal 'MyCosmos'
- Variety of new innovative services accessible by all customers (eg. CHAT)

② **Emphasis on integrated services portfolio & expansion**



- New business cooperations (B2B/B2C)
- Bundled services to corporates (LMDS)
- Selective geographical expansion

**... results in continuous profitable growth**

# The largest operating network ...



## ② Existing 2/2.5G network:

- Over 2,430 Base stations
- More than 110,000 traffic channels
- Nationwide HSCSD and GPRS networks

## ② Coverage:

- > 99.6% of population
- > 84% geographical
- > 88% maritime

## ② High service quality:

- Dropped calls 1.5%
- Blocked calls 0.5%
- Network availability 99.6%

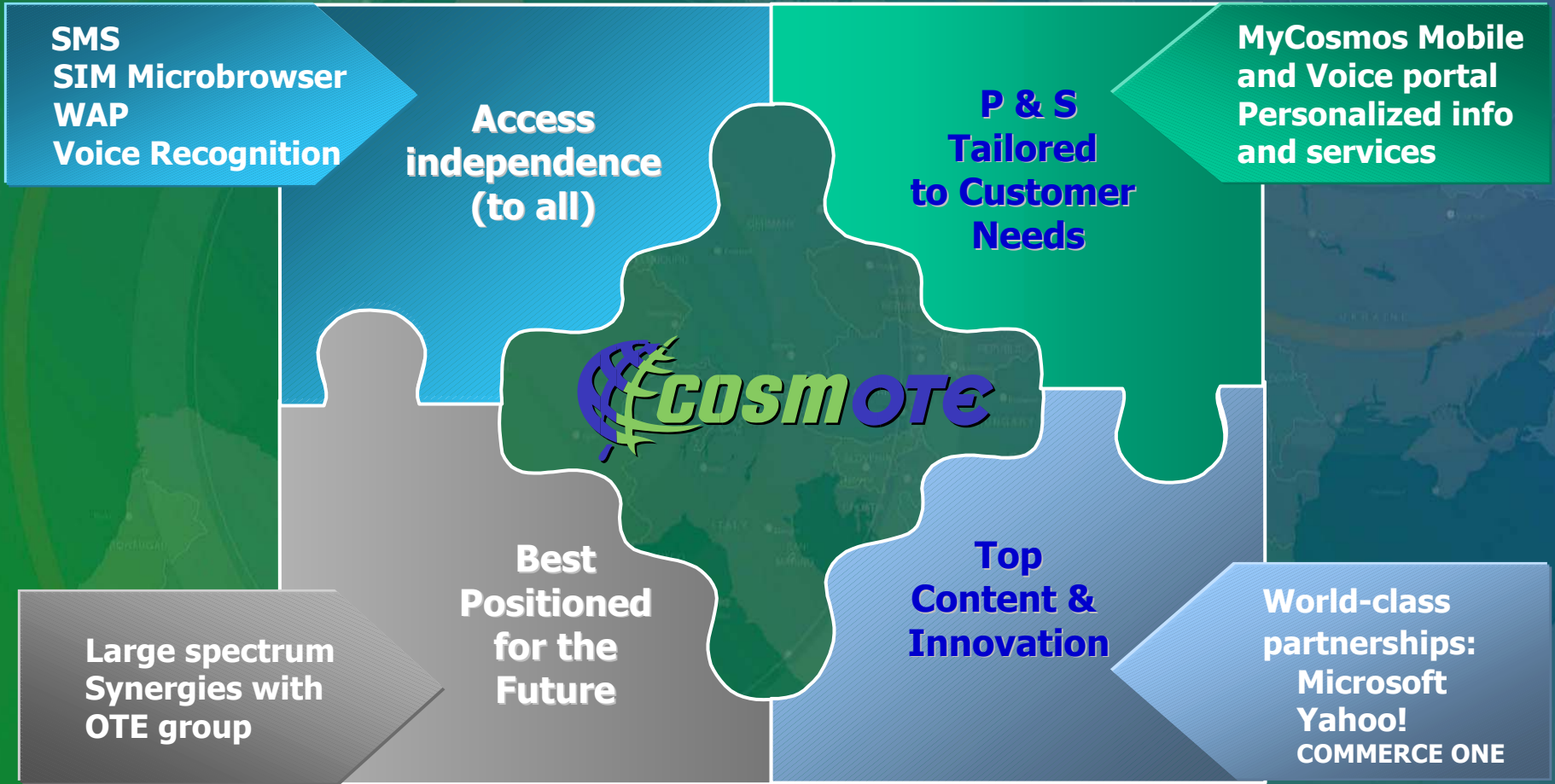
## ② LMDS and 3G (UMTS) license

### Nationwide Coverage



... best positioned to exploit future opportunities

# The driver of success ...



... innovative offerings on mass market scale

# Diversification in new areas...

- ② Early reading of the market and its future needs
- ② Development of activities in other business sectors:
  - **LMDS** license (bundled corporate services / 3G backbone)
- ② Strategic partnerships ( **YAHOO!** *Microsoft* )
- ② Timely launch of new ventures in e-commerce applications
  - Commercial operation of:  
**CosmoONE (B2B) & Virgin Megastores (B2C)**
- ② Management of OTE's mobile assets



... with the aim to enhance revenue streams

# Interconnection Regime



Amounts in eurocents/min	RETAIL PRICE	FIXED REVENUE	MOBILE REVENUE
<b><u>A. FIXED ↔ MOBILE</u></b>			
<b>I. NATIONAL CALLS</b>			
1. OTE → COSMOTE	23 + 5 call setup	5.02	18 + 5 call setup
2. OTE → VODAFONE	26 + 60' sec min charge	5.02	21 + 60' sec min charge
3. OTE → STET	30.00	5.28	24.72
4. OTE → QUEST	30.28	5.28	25.00
MOBILE → OTE price	Mobile Operator's retail tariff (COSMOTE's charge: 21.13)	Local: 0.71 Single: 1.16 Double: 1.90	Difference between retail and fixed revenue  50% of OTE's net charge
<b>II. INTERNATIONAL CALLS</b>			
1/4/02 - 31/12/02			
<b><u>B. MOBILE - MOBILE</u></b>			
1/1/02 - 30/6/02			
1/7/02 - 30/9/02			
16			10
1/10/02 - onwards			
			18

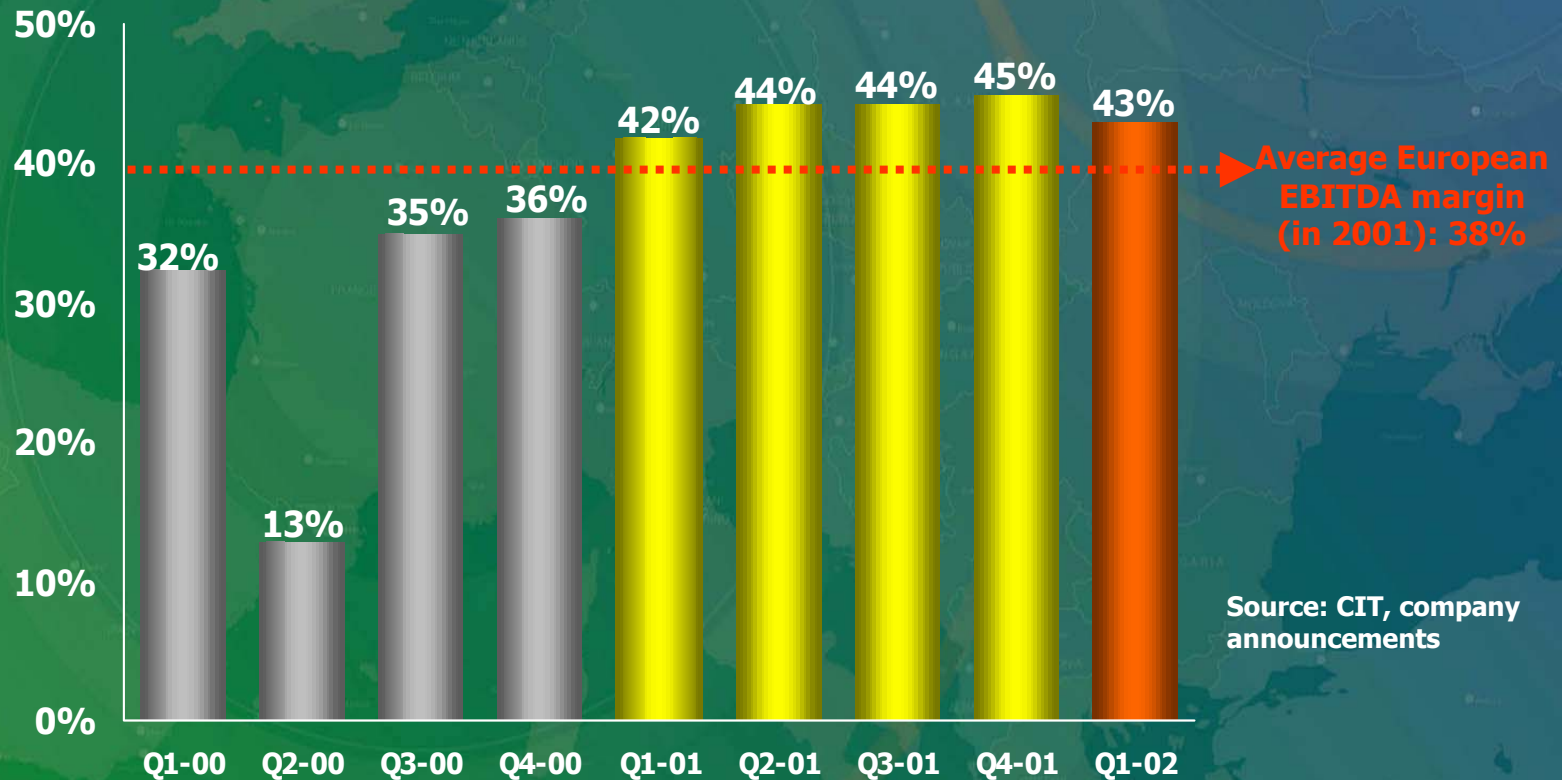
# Continuing Strong Profitability...

EUR million	Q1-2002	Q1-2001	% change	2001
<i>US GAAP, Consolidated</i>				
② Total Revenues	266	206	+29%	927
② <i>Telecom Revenues</i>	257	195	+31%	895
② EBITDA	114	86	+32%	408
② EBITDA margin (%)	43.0%	41.9%		44%
② Net Income	49	37	+33%	174
② <i>Net Income margin (%)</i>	18.5%	17.9%		18.8%
② EPS (€)	0.149	0.112	+33%	0.53

... with high growth rates, well above the European average

# Quarterly EBITDA margin...

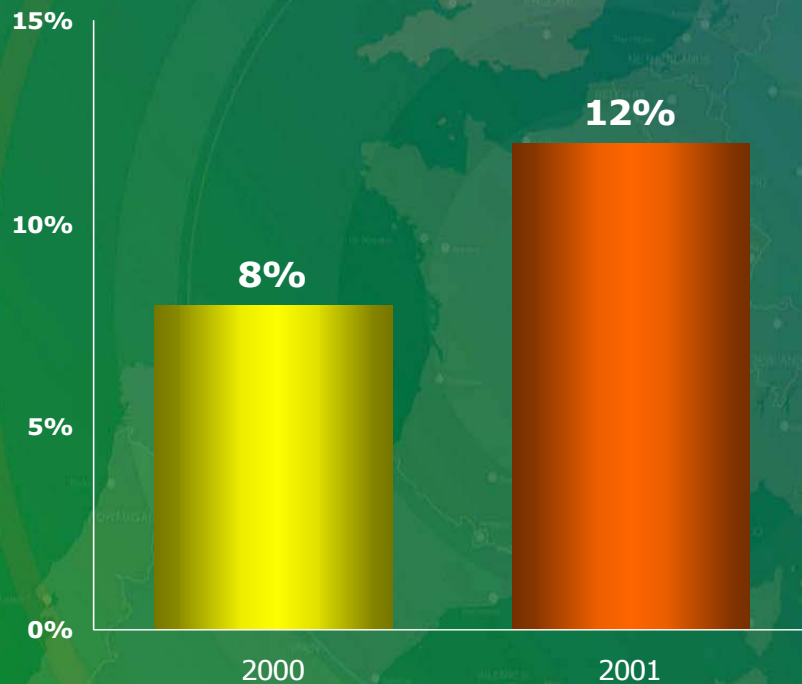
## Consistent EBITDA margin expansion



... among the best in Europe during 2001

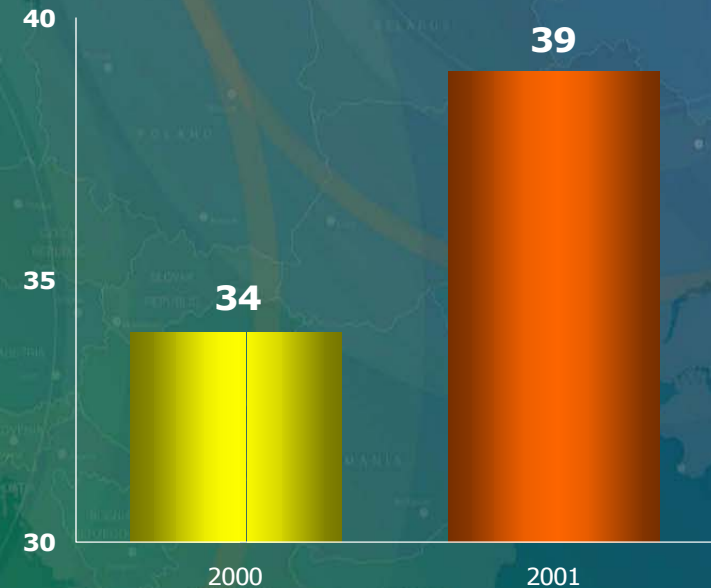
# High SMS usage...

Data as a % of total Revenues



450,000 customers use SMS exclusively to access mobile portal MyCosmos

SMSs / customer / month



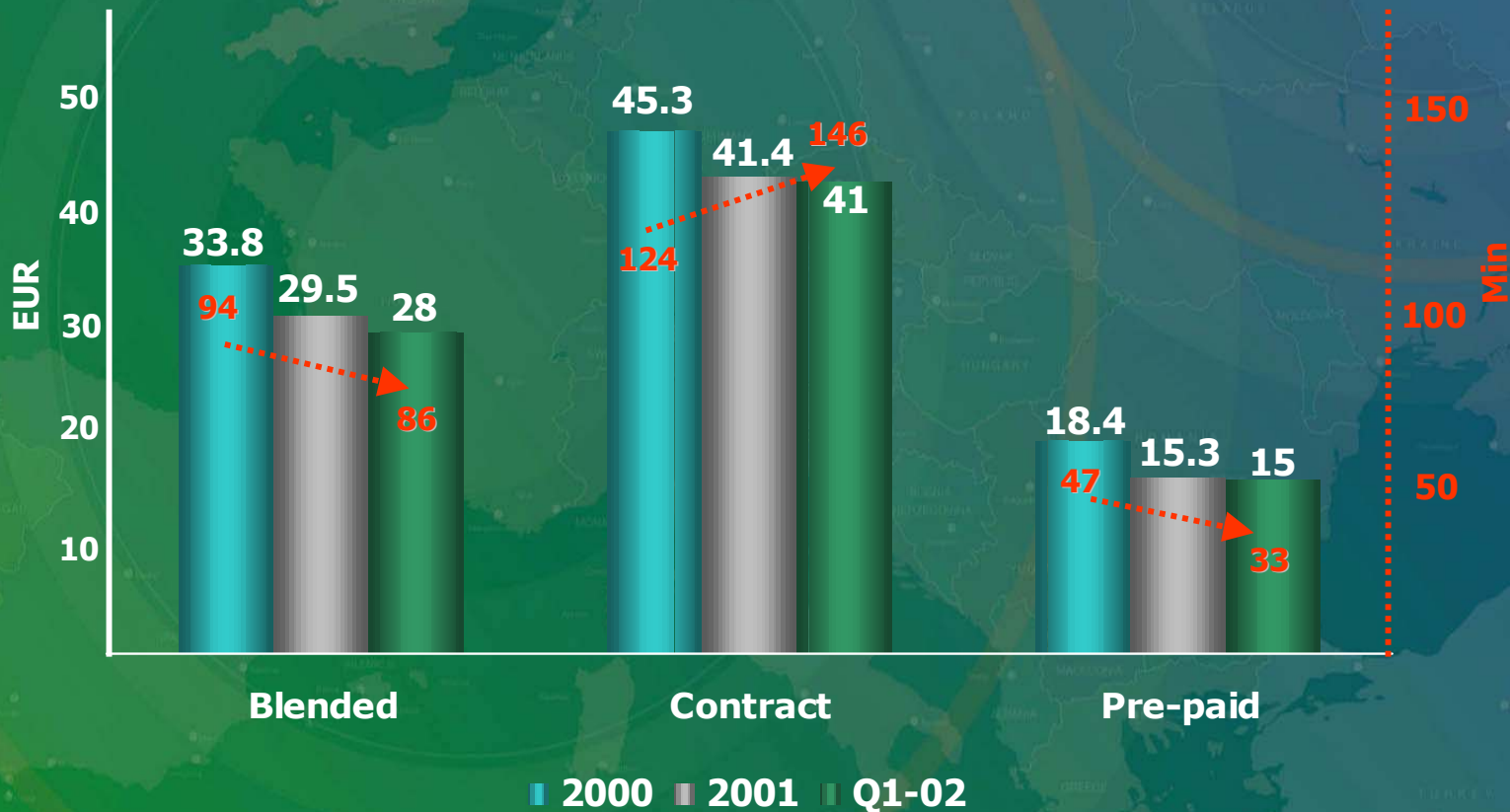
- 38 SMS / contract
- 40 SMS / prepaid
- 145 SMS / CHAT user
- Q1 2002: **41** SMS (42: SMS prepaid)

... contributes positively to total revenues

# Relative ARPU stability...



## ARPU (EUR) and AMOU (min)



... as increasing contract usage balances tariff declines

# Strong Balance Sheets ...



EUR million <i>(US GAAP, Consolidated)</i>	Q1-02	2001
Current Assets	276.8	219.3
Fixed assets	842.6	828.0
License,net	192.2	191.1
<b>TOTAL ASSETS</b>	<b><u>1,311.6</u></b>	<b><u>1,238.4</u></b>
Current liabilities	690.4	665.6
Debt / Other long-term liabilities	63.4	58.6
Share capital	155.1	155.1
Paid in surplus	153.7	156.2
Retained earnings	249.0	202.9
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b><u>1,311.6</u></b>	<b><u>1,238.4</u></b>

**... portrayed by low leverage & 'Net Debt/EBITDA '01 < 0.8**

# Enhanced cash generating capability...



EUR million ( <i>US GAAP, Consolidated</i> )	Q1-02	2001
Net cash from Operations	74.4	356.8
Net cash in Investments	(53.1)	*(531.0)
Net cash from financing	<u>(0.4)</u>	<u>144.5</u>
Net increase / (decrease) in Cash	20.9	(28.6)
Cash at beginning of period	31.4	60.0
Cash at end of period	52.3	31.4

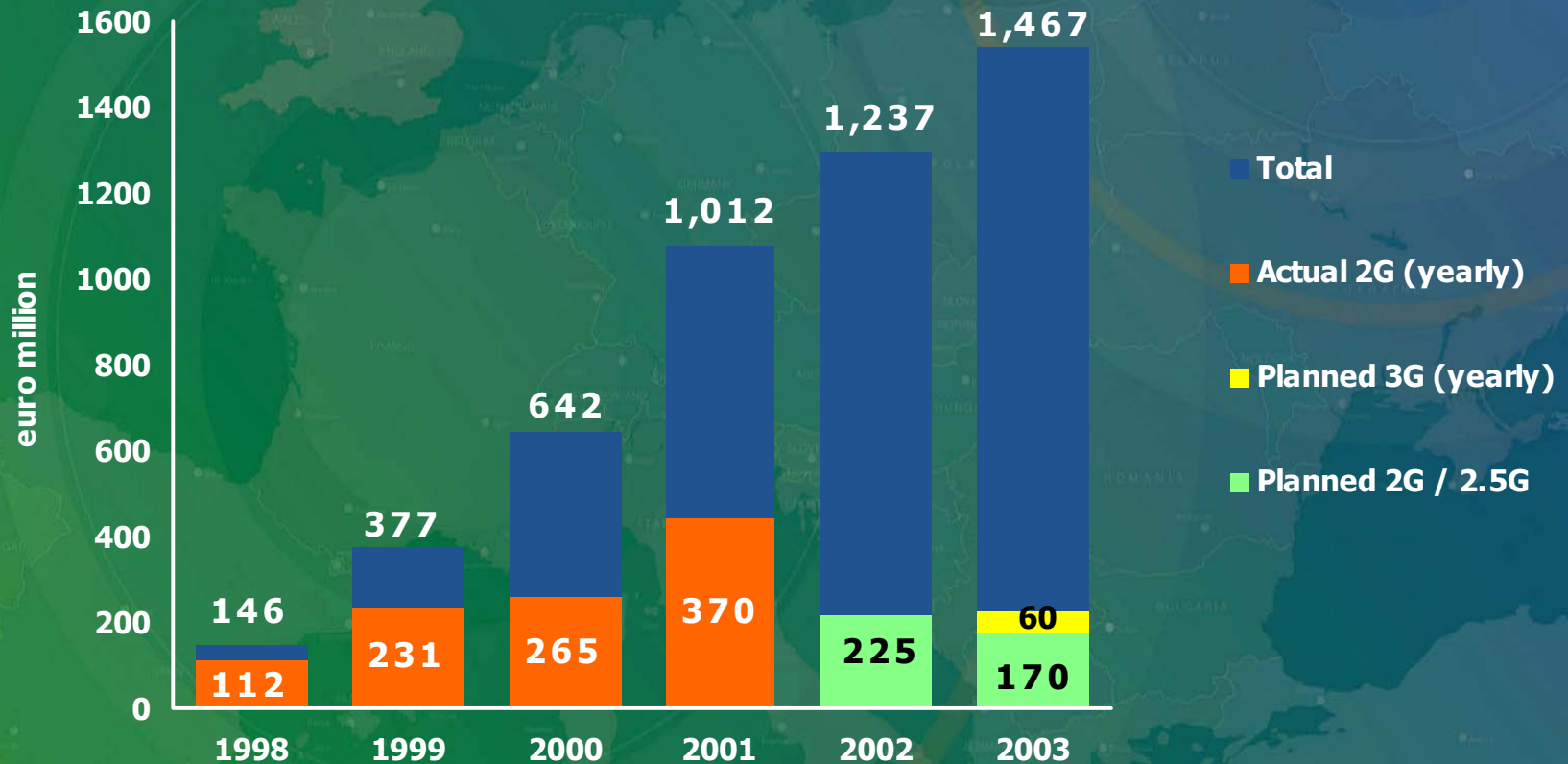
\* Includes UMTS license (EUR 113 mil) and 2nd payment of AMC acquisition cost (EUR 47 mil) plus CAPEX (Greece and Albania)

**... Free Cash Flow in just 3 years (excluding UMTS license)**

# CAPEX (cumulative)



## Evolution of Capital Expenditures (\*)



(\*) Include network rollout and development of products / services. Exclude 2G and 3G license.  
In 2002 another euro 10 mill approx. will be paid for LMDS license

**Steadily decreasing 2G capex**

# AMC\* Snapshot

## Key Financial & Operational figures



\*Albanian Mobile Communications, US GAAP, stand alone

EUR million	Q1-02	Q1-01	% change
Total Revenues	28.3	17.2	+ 64%
EBITDA	18.9	11.8	+ 60%
<i>EBITDA margin</i>	<i>66.8%</i>	<i>68.7%</i>	
EBT	11.4	11.4	+1%
Net Income	8.9	7.8	+ 14%
<i>Net Income margin (%)</i>	<i>31.5%</i>	<i>45.4%</i>	
Customers	302,396	78,840	
Contract	19,055	18,361	
Pre-paid	283,341	60,479	
Penetration	~12%	~2%	

**Contributes by 10% in consolidated revenues and 17% in EBITDA**  
**Sustaining significant growth potential**

# Strong Foundation for the Next Phase



## **New Markets and Services**

- Innovation (P&S)
- Increase voice Usage
- Regional Expansion

## **Critical Mass**

- Exploit Economies of Scale
- Operational Efficiencies
- Utilise network capacity

## **Financial Strength**

- Margin expansion
- Financial flexibility
- Strong Cash Flows

**Consistently deliver strong profitable growth**

# Presentation Structure

- **OTE's Strategic Focus**
- **Fixed Line**
  - **Commercial**
  - **Technical**
  - **Information Technology**
  - **IP Services**
  - **Wholesale / Key Accounts**
- **International Investments**
  - **Overview**
  - **RomTelecom**
  - **GloBul**
- **COSMOTE**
- **Group Financial Insight**
- **Closing Remarks**