

# Fixed Line Commercial

Fixed

Further strengthen competitiveness in domestic wireline

- Establish strict cost control and optimize capex
- Emphasize orientation to customer

*Analyst & Investor Day  
Athens - June 28, 2002*

**Athanasios Ghitzenis  
General Director**

# Agenda

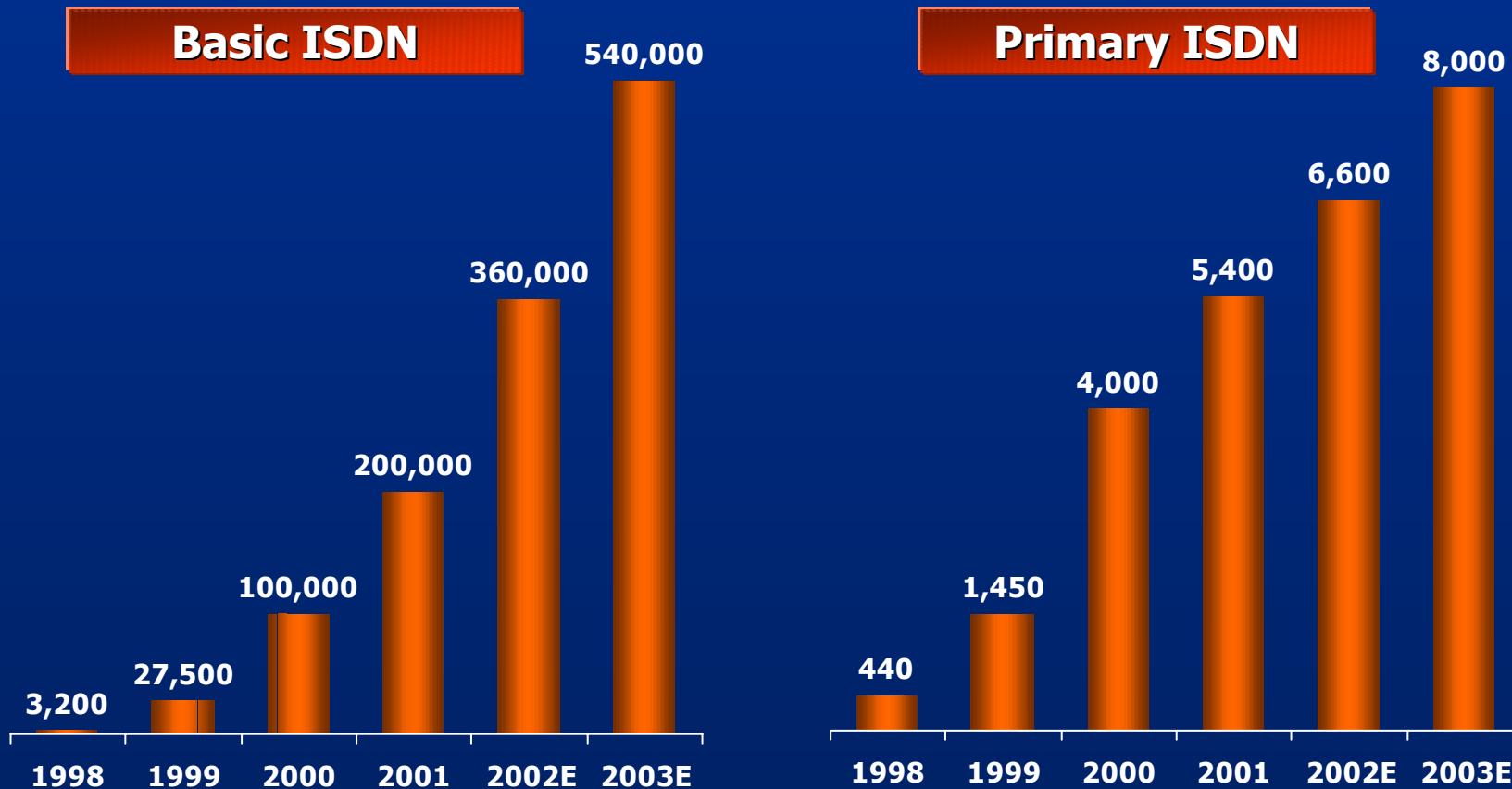
- **OTE Present Situation**
- **Customer Segmentation**
- **Regulatory/Competitive Environment**
- **Facing the Future**



# Current Fixed Line position

- **5,600,000 PSTN lines in service**
- **96% connected to digital exchanges**
- **270,000 Basic ISDN lines**
- **5,700 Primary ISDN lines**
- **Average usage 450 minutes per channel per month**

# Focus on enhancing traffic generation

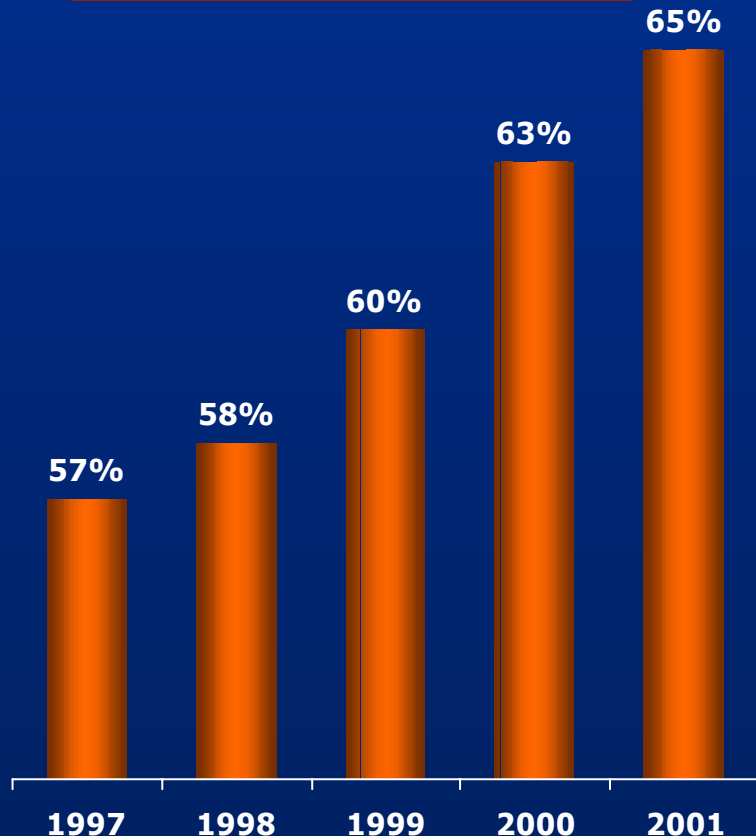


**A Basic ISDN line generates 35% more revenues than a PSTN line**



# Focus on enhancing traffic generation

## Call Completion Rate



- **Enhanced Value Added Services increasing call completion rate**

- **Call Waiting**
- **Call Divert (Unconditional, No reply, Busy)**
- **Voice Mail**

**1 pp increase in Call Completion Rate leads to €24 million increase in revenues**



# Telecom Services taking advantage of our modern infrastructure

## IN Services

- **Freephone (0800)**
  - **1,080 customers currently**
- **Universal Access numbers (0801, local rate)**
  - **564 customers till now**
- **Pre-paid and Post-paid cards**
  - **60 million cards sold worth €260 million**
- **Televoting**

## Premium Rate Services

- **Audiotex – Market size €40 million**



# Traditional Data Services

- **Leased Lines**
  - **€180 million revenues**
- **Managed Leased Lines**
  - **13,185 lines**
- **Hellaspac (X.25)**
  - **Total 10,200 lines**
- **Hellas – Stream (ATM):**
  - **Cell – Relay 70 customers**
  - **Frame – Relay 366 customers**
  - **Circuit-Emulation 4 customers**

**Greece's only one-stop telecom shop**



# New Data Services

## ADSL

- **ADSL services launch expected in October 2002**
- **Installed capacity at 2,700 in 61 local exchanges**
- **By Q1 2003**
  - **200 local exchanges will be ADSL ready, >90% of OTE's customers**
  - **10,000 new connections currently planned to be available**

## IP Services

- **New VPN Applications, complementary to current offering through OTEnet**
  - **Remote Access VPNs (Q3 2002)**
  - **Site - to -Site (Intranet) VPNs (Q3 2002)**
  - **Extranet VPNs (Q1 2003)**

**Dominant position in traditional telephony will play a key role in future telecom services**



# Pricing Strategy

- **Tariff Rebalancing**
  - **Fixed line telephony – completed beginning of 2002**
  - **Digital leased lines - one more step**
- **Aggressive Rebalancing for data services**
- **Innovative Discount Schemes**
- **Packages of Products and Services for different customer segments**

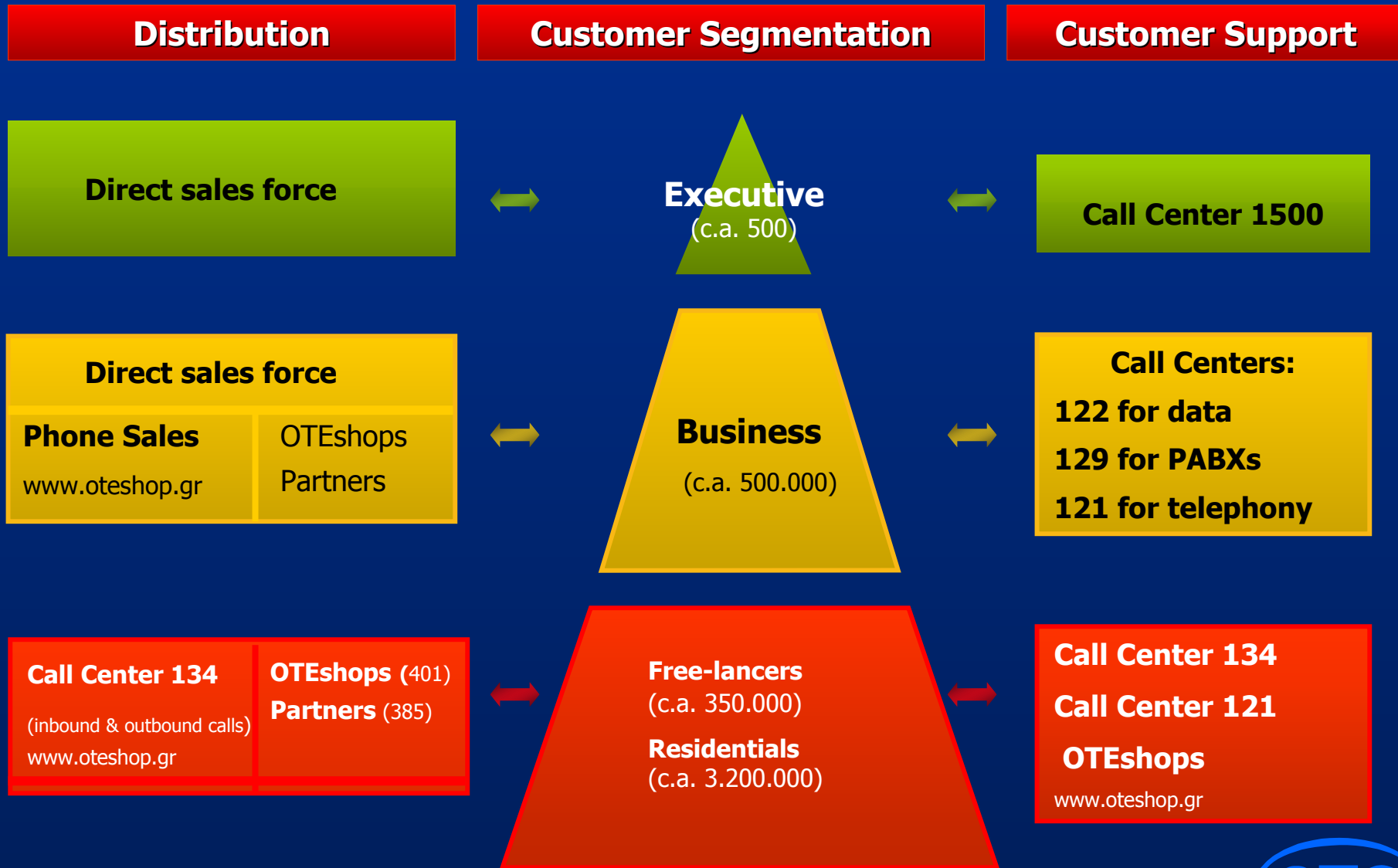
**Competitive prices accompanied by Service Excellence**



# Agenda

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# The Multi-Channel Approach

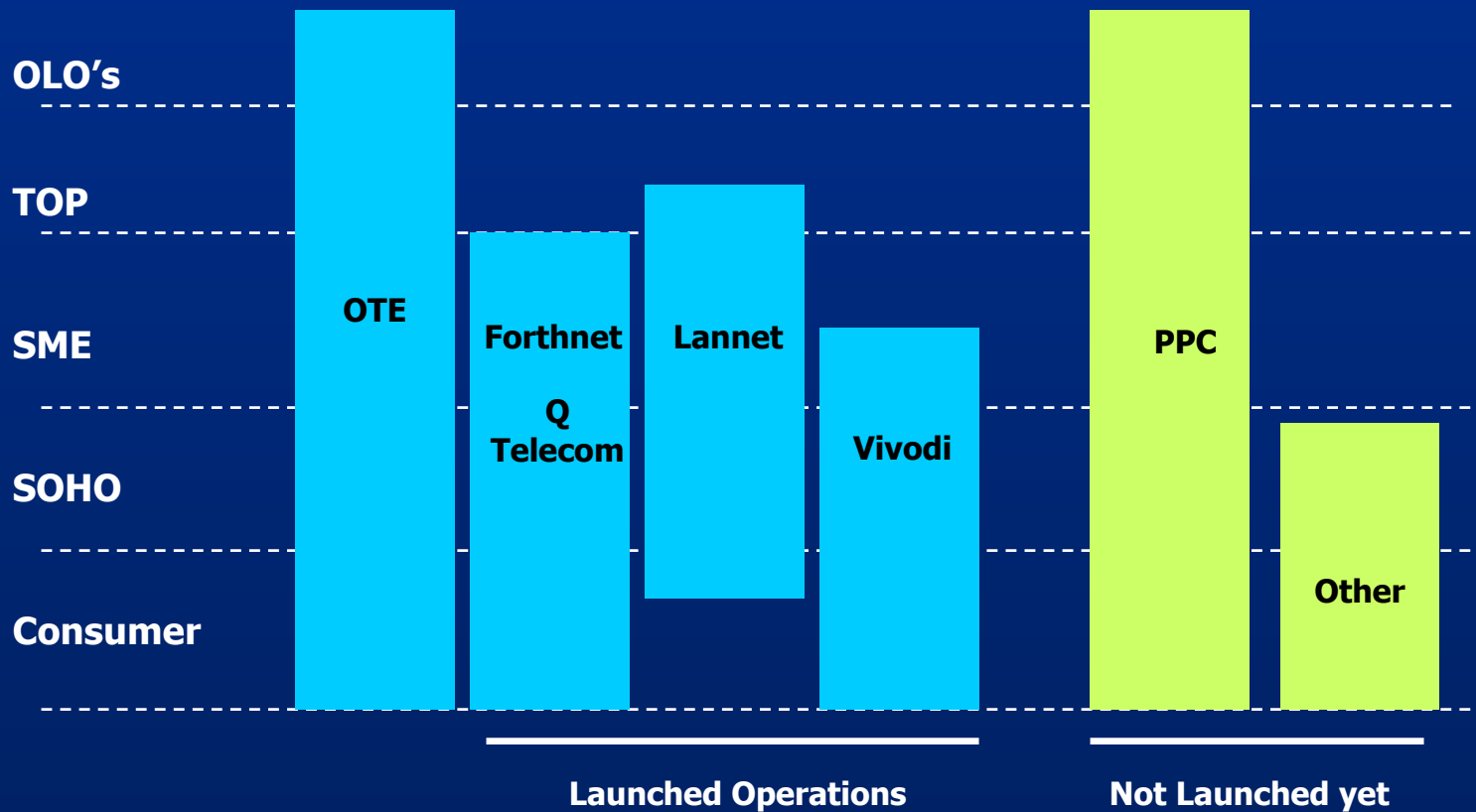


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# Competitive Environment



# Regulatory Environment

- **Reference Interconnection Offer 2001 (approval by NRA of RIO 2002 is pending)**
- **Full range of services**
  - **Origination, Termination, Transit, International**
  - **IN Services, short code services, directory enquiry, etc.**
- **Interconnection Agreements in place**
  - **4 Mobile Operators**
  - **13 Fixed Operators (most with Carrier Selection Code)**
- **Future developments**
  - **Smooth transition to new numbering scheme (end 2002)**
  - **Carrier pre-selection, number portability (Jan 2003)**

# Local Loop Unbundling

- **RUO: Reference Unbundling Offers approved by NRA (Full unbundling, Shared access)**
- **Limited interest by OLOs for the moment**
  - **Only 5 OLOs continue to have interest for LLU**
- **93 local loops unbundled to OLOs**
- **Collocation**
  - **Physical: 1 site**
  - **Distant: 43 sites**

**Risk is limited, in line with development in markets in Europe**

# Agenda

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# Facing The Future



# 2002 Strategic Objectives

- **Defend current market shares in voice traffic**
  - **Retention and win back**
  - **Innovative offers**
  - **Effective distribution channels**
- **Focus on SME for voice, data and web services**
- **Promote xDSL, Broadband and web services (leveraging on intra-company synergies) strengthening our leadership**
- **Reach full customer satisfaction**
  - **Focus on end-to-end customer management**
  - **Implement a Customer Care approach according to “customer value”**



# Acting Proactively

**2002**

**2003-2004**

Build state-of-the art capabilities in marketing, sales, customer service to tackle the competitive pressure in traditional services

Capitalize on our competitive advantage in traditional market to lead innovative broadband market



# 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**

