



Investor Day



Presentation

July 11, 2003

Leteris Antonacopoulos, Chairman & CEO, OTE Group

George Skarpelis, Executive Vice Chairman, OTE Group

Iordanis Aivazis, CFO, OTE Group

Soula Evans, Head of Business & Residential Customers Division

Evangelos Martigopoulos, CEO, Cosmote

James Hubley, CEO, RomTelecom



Welcome



Dimitris Tzelepis, Group Investor Relations Officer



Agenda

- 09:15** Welcome - Dimitris Tzelepis
- 09:20** Strategy Review - Lefteris Antonacopoulos
- 10:00** Fixed-Line Greece - Soula Evans
- 11:15** Coffee break
- 11:45** Cosmote - Evangelos Martigopoulos
- 13:00** Lunch
- 14:30** International Operations:
 - Introduction - George Skarpelis
 - RomTelecom - James Hubley
 - Other International Activities - Iordanis Aivazis
- 16:00** Group Financials - Iordanis Aivazis
- 16:30** Conclusion





Strategic Review



Lefteris Antonacopoulos, Chairman & CEO, OTE Group

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 2002 filed with the SEC on June 30, 2003. OTE assumes no obligation to update information in this presentation.





Our Business Environment

Suppliers/Technology

- Rapid technological evolution
 - 3G / UMTS
 - ADSL
 - WLAN
- Pressure from lower telco capex

Regulation

- Scrutiny of incumbents (Fixed-Line)
- Termination rates and number portability (Mobile)

Customers/Demand

- Increasing demand for high-quality services and Value Added Services (Fixed-Line)
- Opportunities for usage increase in Greece and growth in the Balkans (Mobile)
- Increasing internet usage

Pressure on:

- Fixed-Line market share
- International Operations
- Profitability

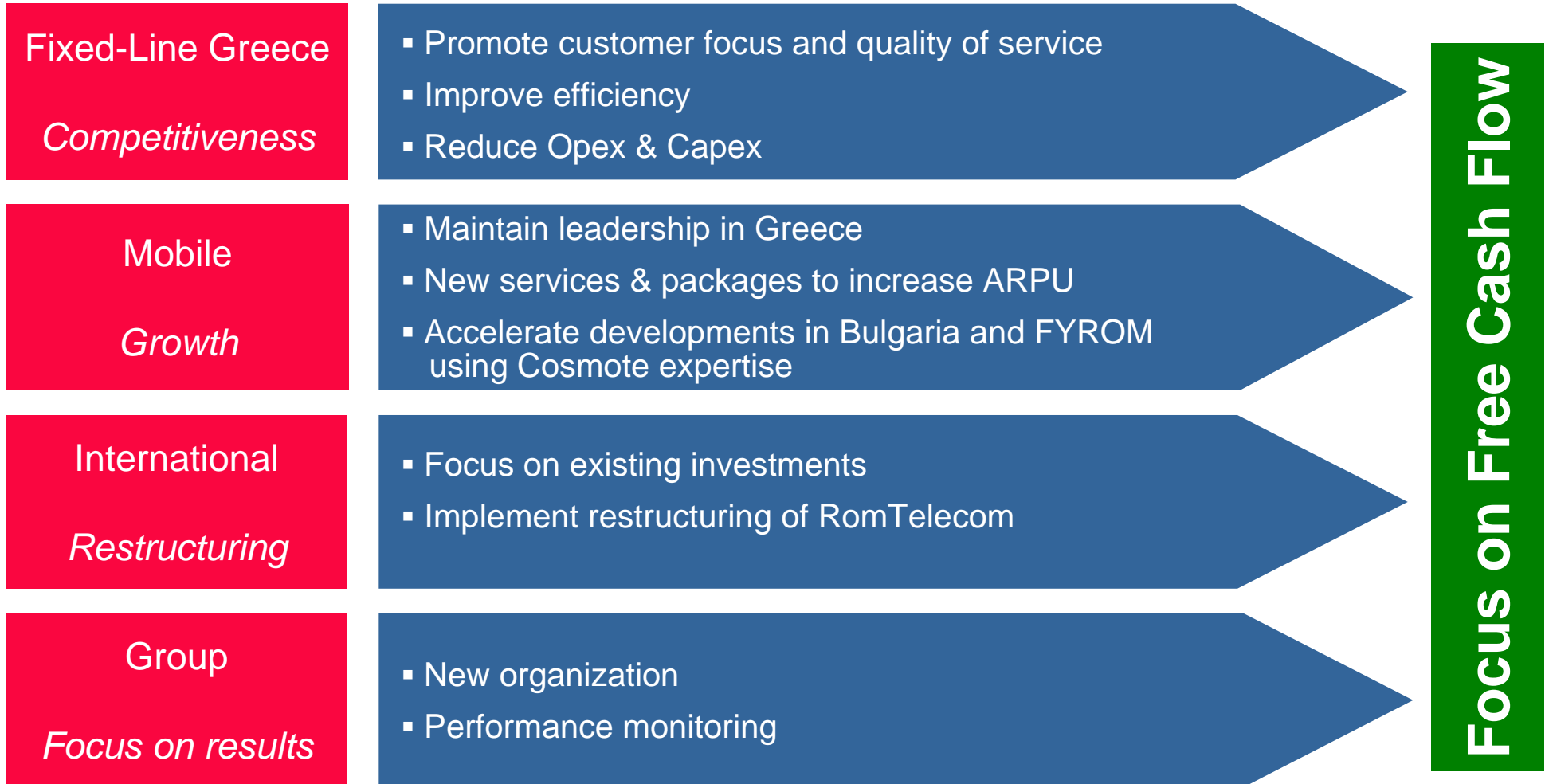
Competition

- Fixed-Line: intense competition
- Mobile: competition in Greece, limited in the Balkans





OTE Group Strategy





What We Have Delivered Since June 2002

<p>Fixed-Line Greece <i>Competitiveness</i></p>	<ul style="list-style-type: none">▪ New marketing & new products, new management▪ Pursued headcount reduction▪ Started Capex drop
<p>Mobile <i>Growth</i></p>	<ul style="list-style-type: none">▪ Strengthened #1 position▪ Successfully launched Cosmofon
<p>International <i>Restructuring</i></p>	<ul style="list-style-type: none">▪ Achieved operating control under new management at RomTelecom▪ Clarified international ambitions / footprint
<p>Group <i>Focus on results</i></p>	<ul style="list-style-type: none">▪ Implemented reorganization▪ Reversal of Opex trends▪ Centralized purchasing





Challenges We Faced Since June 2002

Fixed-Line Greece
Competitiveness

- Pace of OPEX reduction
- Aggressive competition
- Regulatory obstacles

Mobile
Growth

- Reduction of termination rates (Greece)
- Slowdown in pace of growth (Cosmote)

International
Restructuring

- Length of RomTelecom negotiations
- CosmoRom
- Rationalization of International portfolio

Group
Focus on results

- Ratings
- Working capital



Focus: Fixed-Line OPEX Reduction

- Initial efforts yielding positive results
 - Other operating expenses down 4.6% in Q1
 - Trend continuing in Q2
- Develop cost-cutting culture throughout organization
- New Fixed-Line CFO hired

Target: EUR 50 million cut in annual Opex base



Focus: CosmoRom Resolution

- Shut down
 - Negotiations underway with creditors
 - Total liability: EUR 190 million
 - No more cash for development

- Cross-default issues resolved
 - Waivers from senior loan syndicate
 - Noteholder consents

Target: Full resolution in H2



Focus: Financial Strategy

- Free cash flow generation and dividend payment
 - Positive Free Cash Flow after dividends in 2003 (excl. RomTelecom Acquisition)
 - High dividend payment policy

- Retain strong Balance Sheet
 - Net debt to EBITDA not to exceed 1.7x
 - Debt-to-total capital at 43%

- Ratings
 - Active management of agency relationships
 - Business plan should yield return to higher rating





Priorities Going Forward

Fixed-Line Greece *Competitiveness*

- Vigorously defend domestic market share
- Accelerate cost reductions

Mobile *Growth*

- Shift attention from customer acquisition to retention
- Innovative VAS and competitive pricing plans
- Leverage COSMOTE expertise in international footprint

International *Restructuring*

- Deliver on RomTelecom business plan
- Resolve CosmoRom situation
- Seek exit from Armenia, resolution in Serbia

Group *Focus on results*

- Contain costs and Capex
- Generate free cash flow and maintain high dividend policy
- Retain strong Balance Sheet

