



Investor Update

Roadshow Presentation

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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 2000 filed with the SEC on July 15, 2002. OTE assumes no obligation to update information in this presentation.

OTE Group Strategy 2003-2005



Fixed-Line Greece
Competitiveness

- Promote customer focus and quality of service
- Improve efficiency
- Reduce Opex & Capex

Mobile
Growth

- Expand leadership in Greece
- New services & packages to increase ARPU
- Accelerate developments in Bulgaria and FYROM using Cosmote expertise

International
Restructuring

- Focus on existing investments
- Implement restructuring of RomTelecom

Group

Focus on results

- New organization
- Performance monitoring

What We Had Promised for 20



Fixed-Line Greece

Competitiveness

- Defend market share
- Further reduce personnel
- Attack all costs
- Reduce Capex to below 15% of revenues

Mobile

Growth

- New services to increase usage/reduce churn in Greece
- Growth through AMC and Globul
- Launch of MTS (FYROM)

International

Restructuring

- RomTelecom: Gain control and restructure
- Optimize portfolio



Fixed-Line Greece *Competitiveness*

- New pricing packages announced – launch May 12
- Sales incentive schemes established
- New Voluntary Retirement Scheme (VRS) launched
- Capex in line - €20 million effect of pricing negotiation

Mobile *Growth*

- New pricing schemes launched
- Preparing commercial launch of MTS in June
- Ongoing network rollout of Globul

International *Restructuring*

- Control of RomTelecom gained early March
- New management of RomTelecom installed
- Support from the authorities



Fixed-Line Greece Upd

■ **Market situation**

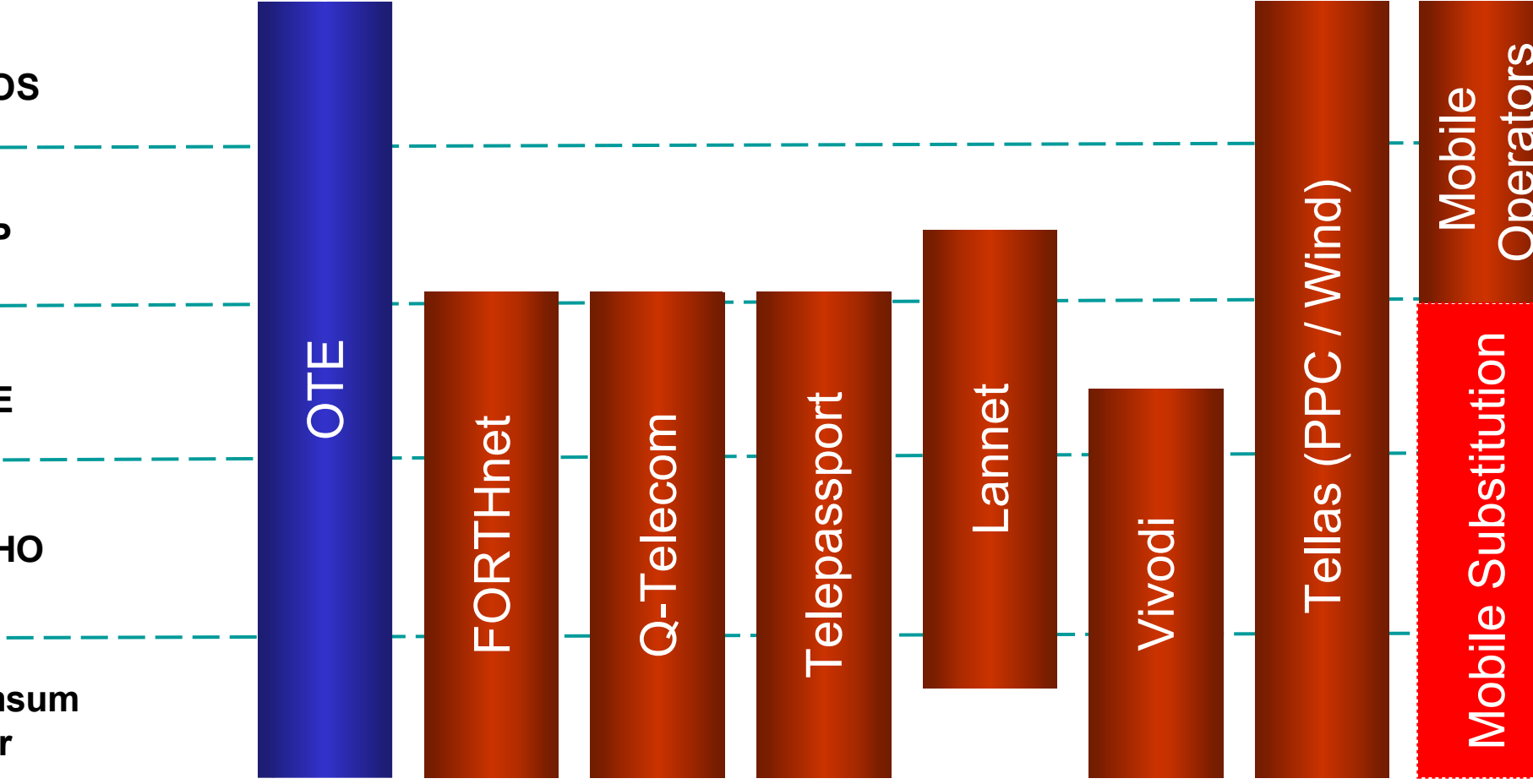
- Mobile substitution higher than anticipated
- Market share estimated at ~93% in March
- Business plan medium / long-term targets remain intact

■ **Timing of cost improvement slower than expected**

- 2003 VRS just completed, 850 to leave by the end of the year from 650 originally planned
- Additional 180 people to leave on normal retirement
- Fixed-Line CFO to be appointed by end of April
- Cost reduction task force led by Group CFO established
 - ▶ Targeted cost reduction through the end of the year €50 million

■ **Initial estimate for 2003 Fixed-Line EBITDA slightly below 2002 level**

Status of Domestic Fixed-L Competit





Commercial Strategy

Focused Marketing Communication

“Lift Off”

Competitive Prices

- Competitive pricing
- Value added services

Tailoring

- Marketing / Collateral
- Packages / Bespoke solutions
- Account management
- Sales / Service channels
- Simplicity

- Optimize utilization of technical infrastructure
- Broadband
- Professional services
- Integrated solutions

Customer Care, Quality of Service



Restructure International Investment

- **RomTelecom: Implement business plan**
- **Romanian mobile operations: Concentrate on resolution of CosmoRom situation**
- **Serbia: Control mobile operations or seek exit**
- **Armenia: Seek exit**



Implement RomTelecom Business Plan

Strategy

- Defend leading fixed-line position
- Focus on free cash flow generation and margin enhancement

Financial Outlook

- Cumulative Capex of \$250-\$300 million over next three years
- Achieve EBITDA margin of ~40% by 2005 mainly through headcount reduction of 17,000+ from 2002 to 2004

Progress To Date

- CEO and top executive team in place
- Capex payables re-scheduling completed
- Current planned commitments fully funded



Shut down or merge

- Deal with Romanian authorities, regulator and other stakeholders
- Negotiate with creditors
- Avoid any further cash burden on OTE S.A.

Resolution expected before 2003 year end



Swap 20% stake in Telecom Serbia for stake in spun-off mobile operator

Controlling stake achieved with a possible maximum outlay of €50 million

Targeted heads of agreement signed by year end 2003; if not seek exit



Financial Strategy Focus on Free Cash Flow

Management to propose stable 2003 dividend to be paid in 2004

Retain strong Balance Sheet

- Planned asset disposals (e.g. OTE Estate)

Buyback authority to be used only in circumstances of extreme share price volatility

Centralized and optimized Group funding strategy

- EMTN program to be used for liability management and maturity extension
- Achieve tighter pricing through parent company rating
- Eliminate possibility for future structural subordination of OTE S.A. senior bonds
- Board approval to establish €1.0 billion ECP programme

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
- Achieve control of mobile in Serbia or seek exit
- Seek exit from Armenia

Group

Focus on results

- Contain costs and Capex
- Management to propose stable dividend payment
- Retain strong Balance Sheet