



# OTE GROUP...

# ...AT A GLANCE

## General information

Hellenic Telecommunications Organization (OTE S.A.) is the largest telecommunications provider in the Greek market, and, together with its subsidiaries, forms one of the leading telecom groups in Southeastern Europe.

OTE is among the five largest listed companies, with respect to capitalization, in the Athens Stock Exchange. OTE is also listed in the stock exchanges of New York (NYSE) and London (LSE). Since 1996 (when OTE was a state-owned monopoly), the Greek state has been gradually reducing its participation in OTE's share capital. On May 14<sup>th</sup> 2008, an agreement was signed between the Greek Government and Deutsche Telekom regarding the participation of the latter in OTE's share capital. Since July 31<sup>st</sup> 2009, following the sale of a further 5% of OTE's share capital by the Greek State to Deutsche Telekom, the Greek State holds 20% and Deutsche Telekom 30%.

The Group offers a full range of products and services, from broadband services, fixed and mobile telephony, to high-speed data communications and leased lines services. In addition, OTE Group in Greece is involved in a range of activities, notably satellite communications, real-estate and professional training. At present, OTE companies employ over 30,000 people in four countries.

## Business Strategy

OTE's key strategic priorities are to:

- **Optimize all processes** by means of sustainable cost reductions and making a lasting improvement in flexibility and productivity
- **Expand broadband penetration** in the domestic market and safeguarding of OTE's leading role, with maximum utilization of the Company's competitive advantages through the provision of innovative products, services and integrated solutions,
- **Utilize technological convergence** by creating commercial proposals and further developing customer care,
- **Focus on domestic and international activities** with the best growth potential,
- **Promote synergies** between the Group's subsidiaries and the parent company,

## International activities

As part of its international investment strategy, OTE Group has acquired stakes in telecom companies in the area of Southeastern Europe. More specifically, OTE has acquired stakes in **Telecom Serbia** (20%), and in **Romtelecom**, Romania (54%). The OTE Group is also present in the mobile telephony market of Bulgaria through **GloBul**, Albania through **AMC** and Romania through **Cosmote Romania**.

## OTE Group operations

OTE Group aims to provide integrated services and products covering the demanding communications needs of both businesses and individuals. In this context, the Group provides, apart from broadband services and fixed telephony, the following:

- Mobile telephony, through **COSMOTE**, the leader in the Greek mobile market.
- B2B Electronic transactions (**CosmoOne**).
- International telecommunications wholesale services to high-capacity carriers and multi-site organizations in the broader SE European region (**OTEGlobe**).
- Wireless and satellite communications, including maritime services (**OTESAT-MARITEL**).
- Satellite Communications services through OTE's subsidiary, **Hellas-Sat S.A.**, which owns the Hellenic satellite, Hellas Sat 2.
- Consultancy services (**OTEPlus**).

Moreover, in order to develop and manage its real estate assets, the subsidiary **OTE Estate** has been set up. Also, OTE established **OTE Academy**, aiming to deliver professional development choices that cater for the training needs of both OTE Group employees, the wider public and the private sector. The **GERMANOS SA**, the largest retail distribution network in telecoms and technology related products in Southeastern Europe, is also a member of OTE Group since 2006 and plays an integral part in the Group's development strategy.

## Financial Data

Under International Financial Reporting Standards (IFRS), OTE Group Revenues for the 12 months ending December 31st, 2009, decreased by 6.6% compared to the total in 2008, reaching € 5,984.1 million. This reflects the challenging economic situation which continues to impact OTE Group activities across all countries in which it operates. However, most of the Group's operating units, particularly in mobile telephony services, significantly outperformed their respective markets. Group pro forma Operating Income Before Depreciation And Amortization (OIBDA) decreased by 5% reaching € 2,156.2 million for the 12 months of 2009.

## OTE & Corporate Responsibility

OTE has a long record of commitment to Social Responsibility, which today is an integral part of its corporate strategy. OTE aims to ensure that the people in Greece and the other countries in which it operates have access to modern telecommunications and that this is done in an ethical manner, striking a balance between sustainable development and the interests of all its stakeholders. OTE's commitment to Corporate Responsibility is demonstrated through its program entitled "Building ties" which has four pillars: society, marketplace, environment and employees. Similar CR actions are undertaken by OTE's subsidiaries in each country they operate. OTE was one of the first Greek companies to have applied international standards for reporting on Corporate Responsibility, and especially the "G3" International Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). OTE's 2009 CR Report is also one of the first by a Greek company to apply the AA1000 AccountAbility Principles Standard and develop its approach in terms of its three principles, namely inclusivity, materiality and responsiveness. As a result, the report was also upgraded to GRI G3 B+ rating. Moreover, since 2008, OTE has been included in the FTSE4Good Index, alongside leading socially responsible companies around the world.

## Vision

OTE's vision is to offer high quality and fully integrated services, in order to remain customers' first choice, while being recognized as a responsible corporate citizen delivering value to all its stakeholders throughout Greece and Southeastern Europe.