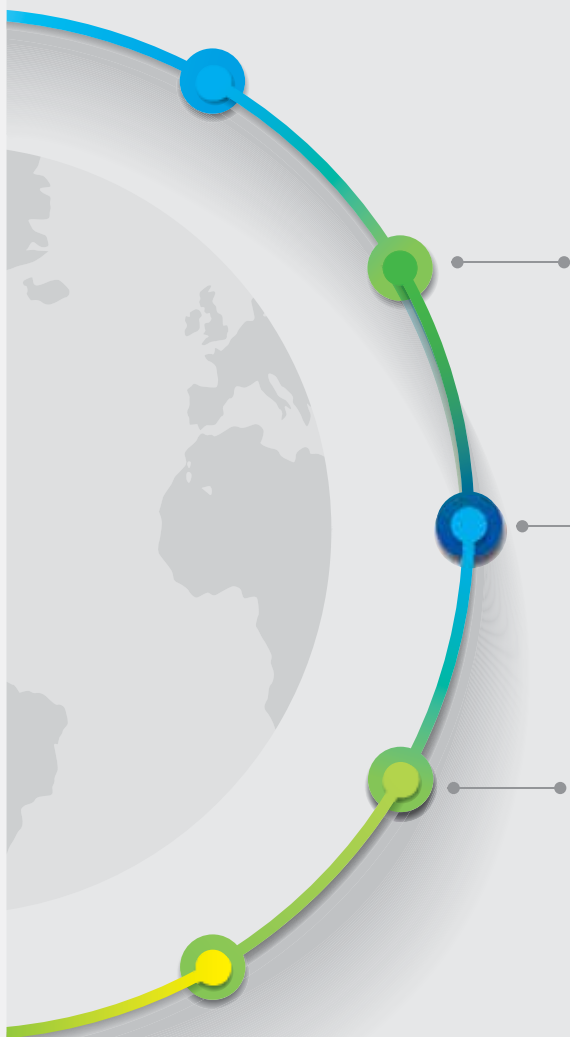




3

**Our activities
in 2013**





population coverage
increased from
35% to 55% in 2013



277 OTE exchanges
with VDSL availability



> 18,500,000
contacts on an annual basis
at COSMOTE customer service centers

TECHNOLOGICAL DEVELOPMENT BASED ON NEXT GENERATION NETWORKS

The OTE Group has the largest fixed-line and mobile telephony subscriber base in Greece. In order to ensure that it provides top quality services and the best-in-class customer experience, the Group focuses on the continuous development and evolution of its networks and infrastructure, by utilizing state-of-the-art and most up-to-date technologies.

OTE's investments are aimed at transforming the existing fixed-line TDM network into a Next Generation Network (NGN), as well as the development of an NGA (FTTx) network so as to maintain OTE's technological competitive edge and its customers' trust.

OTE is the sole telecom provider in Greece building an NGA network with FTTC (Fiber To The Cabinet), and thus offers the most extended VDSL availability in the country.

The architecture of the NGN network, which is based on IP technologies, allows for the automated control from a central location and can support existing and new infrastructure. Likewise, the IMS network architecture, on which New Generation Networks are based, allows for the convergence of fixed-line and mobile telephony, and the provision of new services.

2013 AT A GLANCE

> Upgrade of fixed-line networks

NGA (FTTx): Development of an NGA network in different regions of Greece and expansion of the commercial availability of VDSL services

OTE has been developing an NGA network by placing fiber optic cable close to the subscriber (FTTC) and installing MSAN/VDSL2 equipment (both at local exchanges and at cabinets) in order to offer broadband services at speeds of up to 50Mbps.

In 2013, 9 new BNG nodes were installed, mainly to gather VDSL traffic.

The table below depicts the development of the NGA network, in numbers, for the period 2012-2013.

NGA network development statistics	End of 2012	End of 2013
Number of OTE exchanges with VDSL services availability	179	277
Number of KVs with VDSL service availability	7,515	8,909
Commercially available cabinets offering VDSL services (FTTC)	599	1,665

ADSL network: Network expansion and quality upgrade

Aiming to offer connection speeds greater than 2 Mbps, OTE has been utilizing Ethernet technology (ETH DSLAM at 223 new PoPs), while at the same time it has been restricting the use of ATM technology through dismantling (48 DSLAMs were abolished in 2013).

As of September 2013, a connection speed of 4 Mbps is available to new subscribers, while existing 2Mbps subscribers, who wish so, are being upgraded to the new speed offering.

In 2013, OTE continued with the enhancement of the quality of its services through the development of a fiber optic network closer to the subscriber (cabinets). The ports installed increased from 1,832,000 in 2012, to 1,891,000 in 2013.

Local Loop

In late 2013, there were 1,911,570 local loops with shared and fully unbundled local loop access, compared to 1,796,905 in 2012. During the same period, the number of local exchanges with active physical collocation was 173; the number with active remote collocation was 785; and the number of local exchanges with both active Remote and Physical Collocation was 56.

IP Network: Upgrade of the IP core network

OTE's IP infrastructure:

- Consists of 108 points of presence nationwide
 - Offers IP VPN, VoIP VPNs & Direct Internet Access (DIA) services to business customers
 - Supports all broadband and IP services (wholesale and retail)
 - Includes BRAS systems (at 15 points of presence) and BNG systems for use by residential and business broadband customers.
- The IP Core network consists of 7 points of presence throughout Greece (the network's node connections are carried out exclusively through nX10Gbps circuits).

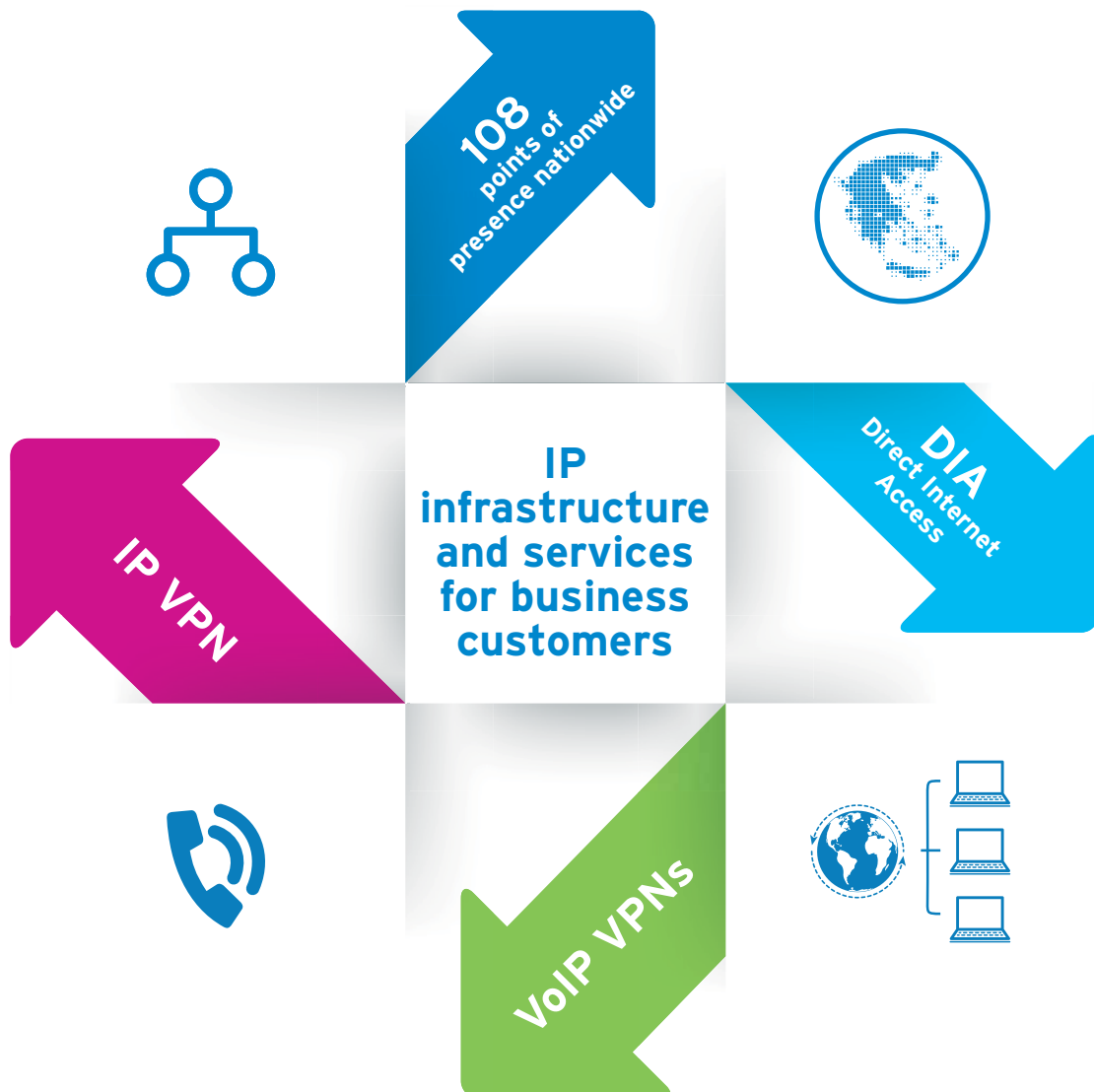
In 2013 the IP network was upgraded through increasing the capacity of the links between nodes, as well as the links with countries outside Greece (increased interconnection through OTE-GLOBE for international Internet at 190 Gbps and optimization of their distribution to the IP core routers).

IMS Network

The capacity of the IMS system was increased and new services were added in order to provide VoIP services to residential and business customers.

The IMS network consists of 16 points of presence, two of which are central (IMS Core). It facilitates the provision of VoIP services to the SYZEFXIS project, as well as to OTE residential and business customers.

In 2013, the platform was upgraded to support 100,000 SIP Trunks of business customers and 50,000 residential customers. By the end of the year, 79,000 SIP Trunk type connections for business customers and 11,000 telephone connections for residential customers had been installed using MSAN.



➤ Upgrade of fixed-line infrastructure and equipment

By the end of 2013, the following investments had been made in infrastructure and equipment:

- 277 telecommunications centers, which cover most of the country's urban centers, offering VDSL services to subscribers who are close to the centers
- 1,665 and commercially available (open-air) VDSL cabinets in specific urban areas in Greece.

The quality indices of the network and infrastructure, which support the OTE fixed-line services, in 2012 and 2013 are presented in the table below.

The improvement of the quality indices y-o-y may be attributed to:

- Targeted actions towards the improvement of fault repair procedures and communication with customers
- Relevant training of technicians
- Utilization of work force management (WFM) tools for field technicians.

In the context of preserving resources, recycling materials and limiting its carbon footprint, in terms of technology the company is continuing with the following actions:

- Optimization of the network through the re-use of active DWDM/SDH equipment
- Dismantling Legacy - SDH rings (thus accumulating 12.26 tons of scrap metal)
- Dismantling of 450,000 PSTN lines (capacity in abeyance), thus reducing the consumption of energy
- Dismantling of the network's inactive and decommissioned copper cables, leading to the accumulation of over 3,500 tons of cable, from which the copper and lead were stripped and recycled.

Quality Indices	Services	2012	2013
Time (in days) needed to install a new connection from the moment the customer submitted the application (for 80% of the most rapidly met requests)	Voice, Internet, IPTV	13.6	13
Percentage of repeated faults within 30 days	Voice, Internet, IPTV	18.2%	17.2%
Percentage of new connections that suffered a fault within 10 days	Voice, Internet, IPTV	8.4%	7.6%

➤ Upgrade of OTE's Special Networks

TETRA

The "OTE TETRA SERVICES" (OTS) network facilitates individual and group calls, calls to other fixed-line and mobile networks, and the safe transmission of data through encryption. The "OTS" network consists of a Network Transfer and Management Center and 115 base stations, 49 of which are installed in Athens (the network covers Attica, the main highways and major Greek cities).

Satellite solutions

OTE's integrated satellite solutions are based out of the Satellite Communication Centers in Thermopylae and Nemea. Their customers are telecommunications companies, ISPs, satellite operators, the mass media, maritime and public companies. The solutions provided by OTE include Inmarsat services to parts of the Atlantic and Indian Oceans and satellite control services (telemetry and orbital position control and change).

Radio-maritime services and networks

The Olympia Radio maritime telecommunications network operates in the VHF/HF/MF frequency regions and offers national and global coverage for Safety of Life at Sea (SOLAS).

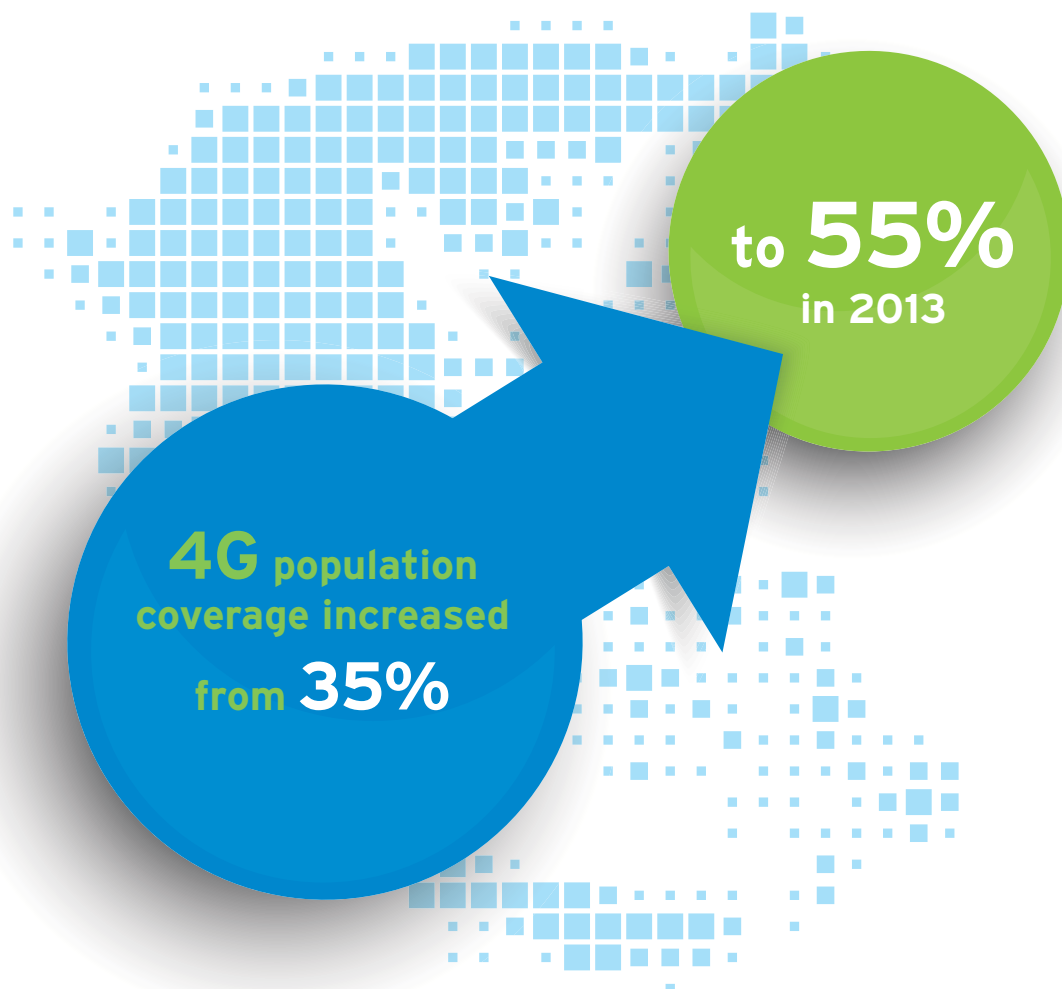
Olympia Radio comprises base stations which are appropriately positioned throughout Greece in order to provide full coverage. Operating under a central management, they are involved in the continuous reception and handling of distress calls or urgency and safety signals at sea. On a regular basis and in emergencies, the Olympia Radio personnel works closely with the Coast Guard's Search and Rescue Center in order to convey instructions, to coordinate nearby vessels and other means of saving life and to warn of dangers (weather phenomena, obstacles, etc.).

In 2013, Olympia Radio handled 125 Mayday signals, 678 emergency signals, 2,565 informative signals and 14,193 NAVTEX (a system for the delivery of printed information to ships) signals. Moreover, it cooperated in 164 cases of Shipwrecks - Safety of Life at Sea, in which 1,715 people were saved.

➤ Upgrade of mobile telephony networks and infrastructure

4G/LTE technology

During 2013, the established 4G/LTE base stations increased significantly and the respective population coverage (4G services) rose from 35% to 55%, covering all cities with over 60,000 inhabitants, as well as many smaller towns nationwide, offering more than double the coverage offered by other networks.



SRAN

The Single Radio Access Network (SRAN) project aims at transforming the mobile communications access network in order to establish a common 2G/3G/4G infrastructure per base station location and for the respective networks to be geographically homogenized (in terms of the supplier). The project includes the modernization of the base station equipment (BTS/Node-B) and the base station controllers (BSC/RNC), as well as the transformation of the data transmission networks into IP networks.

SRAN's main benefits involve the cost reduction due to the economies of scale in equipment prices, the reduced energy consumption, lower volume/size in infrastructure per location, as well as less maintenance requirements.

In 2013, a significant number of locations (Attica, Thessaloniki) transformed into SRAN, thus covering a large percentage of the mobile telecommunications access network infrastructure. The project is expected to be completed in 2017.

WiMAX wireless broadband networks

WiMAX networks provide double play services to remote areas, either through direct wireless access to the subscriber, or through the use of the local copper network, functioning as a backhaul network in an MSAN.

Wimax networks are in operation in eight prefectures across Greece, with approximately 90 points of presence (PoPs), providing the necessary infrastructure for voice and broadband services to about 3,000 subscribers. To approximately 2,100 of them, the service is provided via 53 PoPs in areas with a central point of wireless access and an MSAN interface at the WiMAX NTE.

MSAN

In 2013, MSANs were installed at new points of presence, in order to provide broadband services, even to the subscribers of OTE's smallest local exchanges.

>Television services: Launching of HD (high definition) services via satellite

OTE provides pay-TV services (OTE TV) via satellite (SAT TV) as well as via broadband connection (IPTV), covering the greatest part of the country.

With respect to its satellite TV services, in 2013 OTE increased the quality and number of television flows, reinforced its technological infrastructure with multiple levels of backup, and implemented Disaster Recovery plans (in the event of a disastrous equipment failure and extreme weather phenomena). In September 2013, the company also launched the PVR Set Top Boxes for OTE TV via satellite customers.

Finally, **the OTE TV offering was enriched in 2013, with more Standard & High Definition channels.**

OBJECTIVES FOR 2014

In 2014, OTE's key investments will concern the following:

- Further development of the NGA network through the:
 - Installation of VDSL MSANs in open-air cabinets (FTTC) in Attica and Thessaloniki
 - Installation of VDSL MSANs in even more local exchanges throughout Greece
 - Upgrade of the IP core network for the provision of broadband services of up to 50Mbps
- Expansion and quality upgrade of the ADSL network through the existing points of presence and the installation of MSANs at new PoPs (closer to the subscribers) - Expansion of the Metro Ethernet network through the installation of new Ethernet switches and upgrade of the existing Metro Ethernet nodes
- Installation of new BNG nodes
- Reinforcement of the transmission network through the upgrade of the existing DWDM and NG-SDH rings
- Expansion of the infrastructure for terrestrial and submarine fiberoptics cables
- Design, planning, installation and operation of new WiMAX systems to replace the Subscriber Agricultural Networks at approximately 160 PoPs, in order to provide double play services to about 6,200 subscribers, in remote and inaccessible settlements
- Installation of new TETRA base stations and repeaters for the expansion of the existing wireless coverage
- Upgrade of the Software Release version of the IMS platform and the expansion of the capacity in order to provide VoIP services to residential users on a broadband connection (VoBB)
- Installation of a new platform to support Internet television through a 2nd screen (mobile, tablet, PC)
- Enrichment of its IPTV platform (OTE TV through a VDSL broadband connection) with additional High Definition TV channels
- Upgrade of the e-mail service provided by OTE to residential and businesses customers.

In 2014, with regards to mobile telephony services, OTE plans to expand its 4G coverage significantly with the increase of established 4G/LTE base stations, and will continue the implementation of the Single Radio Access Network (SRAN) Project.

TRENDS IN THE REGULATORY ENVIRONMENT: CHALLENGES AND OPPORTUNITIES

> Developments on a European level

The European Digital Strategy (Europe 2020) defines the targets of the electronic telecommunications market.

Bearing in mind that the Information and Communications Technology (ICT) projects play a key role in the economic development of European countries, these strategic objectives are broken down into a series of actions which are included in the Digital Agenda. The key target is to reinforce the European economy for the welfare of citizens and businesses.

The key developments on a European level concern, first of all, the release by the European Commission of a series of legislative measures (Connected Europe) aiming to:

- Reform of the telecommunications market in order to reduce costs for consumers
- Limit the red tape for businesses, and Create a series of new rights for subscribers as well as for providers of services, in order for Europe to become once again a pioneer in world digital technology.

The new measures provide, primarily, for the following:

- Simplifying EU rules for telecommunications companies through a single operating license for all 28 member-states and a further adjustment to the way in which operators rent access to networks that belong to other businesses in order to improve their competitiveness
- Abolishing roaming fees (companies will have the choice either to offer packages which will apply throughout the EU, or to allow their customers to choose a different operator for roaming services, without the need to buy a new SIM card)
- Abolishing surcharges on the rates for international phone calls within the European Union
- Providing legal protection for an open Internet (network neutrality)
- Securing new rights for consumers and aligning rights for the whole of Europe
- Implementing a coordinated allocation of the radio spectrum

One more European measure has to do with the release of a Recommendation on cost application methodologies and non-discrimination.

The main purpose of the new Recommendation is to establish a stable framework for investments and reduce deviations between regulatory authorities so that the wholesale prices for “next generation” broadband access can be determined by the market and not the regulatory authorities.

2013 AT A GLANCE

> OTE's regulatory policy

The company's regulatory policy for 2013 aimed at defending OTE's positions vis-à-vis the Regulatory Authorities on a national level, as well as vis-à-vis other European and international bodies regarding matters such as:

- The elimination of regulatory measures in markets in which competition has grown satisfactorily: The lifting of regulatory measures concerns mainly the retail fixed-line and leased line markets, but also wholesale markets, such as the wholesale call forwarding market and leased line trunk segments, which are markets that have been excluded from the relevant EU Recommendation
- Dealing with regulatory issues that occur within the context of the offering of bundled services and specifically the approval of OTE's tariff plans by the Hellenic Telecommunications and Post Commission (EETT)
- Protecting the company's investments from unjustifiably strict regulatory interventions: Constantly changing market dynamics and business models create new conditions in terms of competition among companies, especially vis-à-vis the basis of requirements for new investments for the development of new generation networks.

> Regulatory developments

The key developments in 2013 that also concerned OTE included the following:

- Following the analysis of the relevant market and the submission of the company's documented positions according to the European and national regulatory framework, EETT decided to deregulate the fixed-line telephony retail market for calls inside Greece for residential and business customers. The relevant Action Plan submitted by the Greek Regulatory Authority, following the completion of a national public consultation, was accepted by the European Commission without any comments
- Regarding the amendment of its costing model, EETT released in October 2013 the new concise edition of the price control model using the data of 2013. Through this model, EETT can control ex ante to what extent a program proposed by OTE fulfills EETT's requirements or not. The release of the updated model aims at OTE's better preparation in regard to proposed programs and the avoidance of delays involving OTE's requests, clarifying questions and answers, etc. In this way, the time between the submission of an OTE program for approval and its launching in the market will be minimized
- With regard to OTE's requests in 2013 and the relevant answers from the Regulatory Authority, during 2013 OTE submitted for EETT approval a total of 57 new discount programs/offers, of which 36 concerned the residential customer market and 21 concerned the business/corporate market. It should be noted that 2 promotional actions regarding the residential programs of the existing product portfolio were also submitted. EETT required between 0.9 to 6 months to perform an ex ante control and issue its approval of the new programs. Moreover, in cases of requests that are submitted to EETT for the extension of existing programs, the waiting period ranged from 1.4 to 4 months. Likewise, in cases involving the modification of discount programs, the waiting period ranged from 2.2 to 6 months

- Release of the General License Regulation which regulates the procedures and requirements for providing networks and/or electronic communications services, as well as provisions for consumer protection
- Release of the Numbers Portability Regulation which introduces new provisions for consumer protection and which will be implemented in 2014
- Release of the tender offer for the rights to use terrestrial digital broadcasting radio frequencies
- With respect to the Next Generation networks and the development of the FTTC network, EETT released its decision, regarding the amendment of OTE's terms for the provision of the wholesale product Virtual Partial Unbundled Loop (VPU), as part of its service "upgrade", in order for alternative operators to be able to diversify their services
- Amendment of the relevant Ordinances of OTE's 2012 Reference Offer for Local Loop Unbundling and related services
- During the implementation of Laws 4070/2012 and 4053/2012 with the ultimate aim of facilitating and accelerating the process for issuing antennas' permits, because of certain problems due to gaps in the secondary legislation, OTE has issued permits for only a number of the antennas being constructed
- In June 2013 a revision of the Ministerial Decision was issued regarding the issuing of permits for low disturbance antennas. According to this revision, the technical characteristics of antennas that provide a universal service are modified, and a new category is introduced which will "fill in the gaps" which are used for the digital terrestrial television networks
- In terms of the Universal Service, following the relevant public consultation which was carried out in 2013 and taking into account the company's documented positions and European practices, the number of card payphones was reduced
- In 2013 OTE also participated in various national public consultations.
- The analysis of the physical and broadband access markets, according to which OTE's regulatory obligations regarding the copper network and the NGA access networks will be revised
- Monitoring the developments regarding the Greek State's Fibre to the Home (FTTH) next generation network development project and similar projects involving network development (MAN, Rural, etc.)
- The issuance of EETT's decision regarding the wholesale markets for the interconnection of public fixed-line networks and the model for the calculation of the call termination costs for fixed-line networks, which will be significantly reduced and symmetrical for all providers
- The amendment of the related Ordinances of OTE's Reference Offer for Local Loop Unbundling and Related Services, and Wholesale Broadband Access.

OBJECTIVES FOR 2014

The main regulatory issues that will concern OTE in 2014 include among other things, the following:

- Voting on the new European framework on electronic communications, which will affect areas relating to the company's activities and potential business decisions (relating to investment security, roaming, et al.)
- Securing the timely approval of OTE's submitted discount packages by EETT, the optimization of the approval model of OTE's packages, and the lifting of the relative obligations regarding price approval in services in which there is sufficient competition (The average time for the launching of a product/service in the residential customer market in 2013 was 7 months, while in the business/corporate market it was 12 months)
- The release of the Recommendation by the European Commission regarding the electronic communications services markets which are subject to an ex-ante regulation, according to Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services. Based on the published plan, the proposed markets for an ex-ante regulation are reduced to 4, instead of the existing 7

OUR PEOPLE, OUR DRIVING FORCE IN THE TRANSFORMATION OF OUR COMPANY

Customer Experience is what differentiates OTE from competition in the markets in which it operates, and is at the same time OTE's main strategic choice in the context of its customer-oriented philosophy.

OTE acknowledges the significant role of its human resources in realizing its customer-oriented strategy. Meeting corporate goals is directly linked to the efficacy of its human resources strategy, since productivity is boosted in working environments where one is free and wishes to outperform and evolve professionally.

In 2013, OTE's activities in terms of its human resources were focused on 3 basic strategic objectives:

► Enhancing the company's corporate culture

Among the company's strategic objectives is to urge employees to get to know and to understand in practice the corporate Guiding Principles as the basis of a common corporate culture, and to incorporate them into systems and procedures which are related to their everyday tasks and their role in the company.

The 5 Guiding Principles are:

1. Customer satisfaction and simplicity drive our action
2. Respect and integrity guide our behavior
3. Team together-team apart
4. Best place to perform and grow
5. I am OTE/COSMOTE - count on me!

These principles are mentioned and reviewed systematically in all educational management programs, at group meetings in the form of workshops and focus groups, as well as in internal announcements. The system for the evaluation of employee performance and development was redesigned in 2013 in order for the professional capacities and performance criteria model to incorporate these 5 Guiding Principles and their detailed description.

In relevant questions, included in employee satisfaction surveys in 2013, company employees answered as follows: 68% of employees agreed that "The Code of Conduct is a very important guideline for my daily work" (according to the June Pulse Survey) and 85% "I experience the Guiding Principles being lived in my day-to-day work" in their daily work" (according to the November Pulse Survey), which proves that OTE's employees are increasingly participating its new corporate culture. It should be noted that every new employee is briefed regarding OTE's Code of Conduct and Employee Relations Policy, which also include the principles of corporate behavior.

5 GUIDING PRINCIPLES

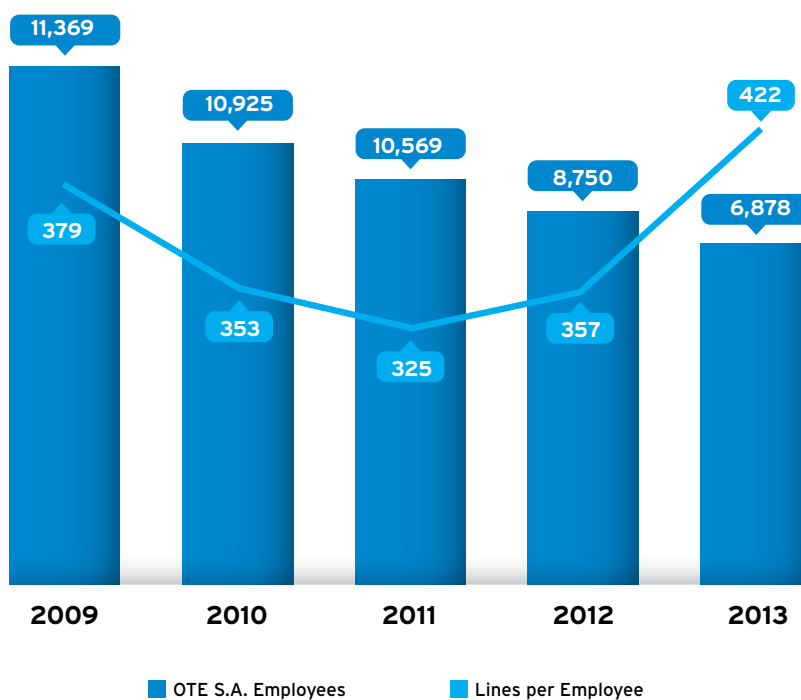


► Socially responsible rightsizing programs

In 2013, the company's efforts to reduce labor costs - which had begun in 2012 - were intensified through the implementation of expanded voluntary exit schemes. In particular, OTE's Voluntary Exit Schemes were successfully completed as part of the reorganization of the company through socially responsible solutions. Significantly exceeding the initial target, more than 1,800 employees accepted the incentives offered by the company, especially in the cases of individuals who were close to retirement. OTE estimates the net annual savings from the reduction of personnel at about €94 mn. It is noted that the Voluntary Exit Schemes entail no burden for Greek state pension funds, as OTE covers the entire cost of € 73.5 million for participating employees' self-insurance.

At the same time, job opportunities were created, mainly for young people, as OTE proceeded with the hiring of field technicians, engineers, retail & corporate sales representatives as well as other employee categories taking on a total of 786 new employees in 2013. Through the recruitment program, the company aims to keep its operations running (following the voluntary exit schemes), and to continuously improve customer service both technically and commercially, thus achieving an overall upgrade of customer experience.

OTE S.A. Employees evolution



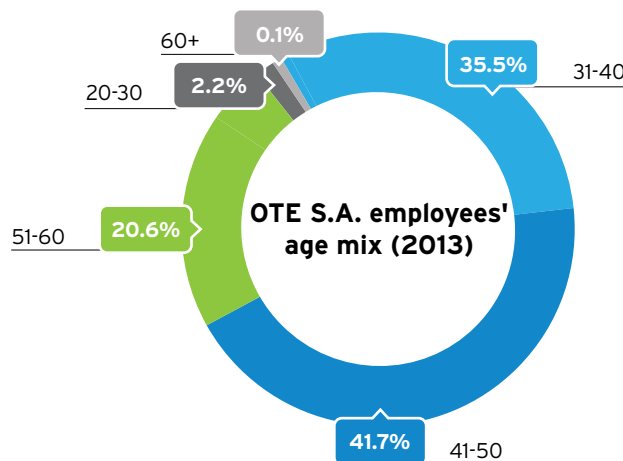
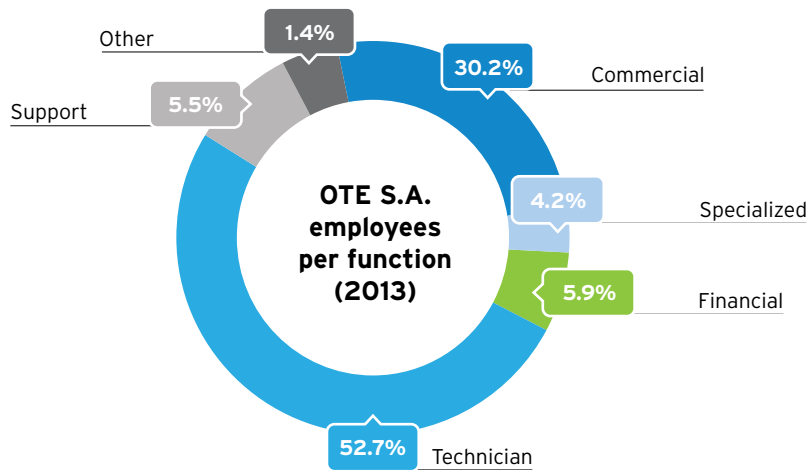
► **Organizational restructuring and effectiveness**

The year 2013 saw the further restructuring of many of the company's business units towards the operational integration of the activities of fixed-line and mobile telephony and the streamlining of the units' structure and responsibilities, driven by the desire to simplify and improve customer experience.

In particular, the operational integration of the activities of fixed-line and mobile telephony has reached a level of over 80% with respect to General Directorates and Directorates, and is continuing at a rapid pace through the next levels of the organization.

From a total of 72 unified Directorates, a complete operational unification on all levels has been achieved in a total of 45 Directorates, i.e., in 63% of the company's Directorates.

Moreover, in 2013, the company carried out a radical restructuring of the operational and organizational model of the IT Business Units and the Commercial Business Units through the commercial repositioning of the Group (B2B & B2C models). Restructuring was also carried out at the Finance, Business Security and Continuity, and the Technology Business Units.



2013 AT A GLANCE

› Transformation of the company

The company focuses on the enhancement of its corporate culture, with special emphasis on high performance, collaboration and innovation. Reliability, mutual respect, outstanding performance and unwavering customer-orientation are some of the principles OTE has adopted in terms of employee behavior.

The transformation, which is taking place within the company, is influenced by external factors as well. The financial crisis, which is taking place in Greece and the intense competition in the telecoms sector require the rationalization of labor costs, operational restructuring, and the optimization and simplification of corporate procedures.

On an organizational level, the OTE Group's Human Resources Department further reinforced the HR Competency Centers - HR Business Partners - HR Shared Services operational model, which corresponds to the respective design, support and provision of efficient programs, tools and HR services.

› Employee performance and development

The aim is to create a work environment in which one can perform to the best of one's ability and to grow professionally, thus expressing the corporate principle: "Best place to perform and grow".

Performance evaluation

The evaluation of employee achievements and skills is the starting point and the basis for their professional development, through transparent and objective procedures. The company implements advanced systems for the annual evaluation of all levels of employees. Through this evaluation system, employees participate and become involved in the rewarding systems implemented by the company.

In 2013, the Company revised the Employee Performance Evaluation and Development system, in order to create a single tool for fixed-line and mobile operations employees, which would be adapted to contemporary business needs. The system is in concordance with the OTE Group's Guiding Principles and is designed with an emphasis on enhancing the quality of Customer Experience. Moreover, "quantitative targets" were introduced for the first time in the evaluation of junior level OTE employees coming from Sales or Customer Service etc.

All permanent staff was evaluated and, in order to prepare in the best possible way, 112 new employees with team management responsibilities attended a training session on the evaluation procedure and the creation of an individual development plan for their teams.

Senior Management in particular, participated in the PPR (Performance and Potential Review) system, which besides evaluating performance also determines the degree to which they are prepared to undertake more demanding duties, in alignment with Deutsche Telekom Group.

Training

Companies which invest in their people remain sustainably competitive. Employees who make sure they stay up to date, follow developments and brush up their skills and knowledge are the ones who will remain competitive now and in the future.

With this in mind, the company continued in 2013 to invest in employee training and education, aiming both at advancing their skills and knowledge, in line with market and company needs. Indeed, 669 educational programs were held for OTE employees and 369 for COSMOTE employees.

The OTE Group educational program covers many subject areas, among which are: Telecommunications and Information Technology, Management and Leadership, Foreign Languages, Finance, Sales & Marketing, and Human Resources procedures. The main educational body is OTEAcademy, a member of the OTE Group.

› ACT2: Advanced Certification in Telecommunications Technologies

The ACT2, a continuing education and skill development program exclusively for the OTE Group technicians, began in 2013. **With ACT2, OTE adds value to the know-how and skills of its Technicians, who, upon completing the program, receive a professional Certification which will certify their excellence and experience in telecom technologies in the market.**

Re-training the Group's technicians, facilitating the incorporation of new technicians, ensuring the standardization of procedures, enhancing productivity and the quality of services, and enhancing flexibility are some of the program's key objectives.

In 2013, 500 technicians attended the ACT2 program, while by the end of 2014 approximately 2,000 technicians are expected to have taken part in the program. At the same time, a Certification program is being put together for the trainees.

› C2X: Customer Experience Excellence program

Acknowledging the contribution of its people to the success of its customer-oriented strategy, **the company together with OTEAcademy implemented a groundbreaking, by both Greek and European standards, Customer Experience Certification Program (C2X) for all of its employees.** All COSMOTE employees attended the program in 2013, while OTE employees are expected to attend the program in 2014.

After completing the program, trainees will be eligible to receive the European certification of the Society of Consumer Affairs Professionals Europe (SOCAP). Certification of COSMOTE employees began in the last quarter of 2013 and will be completed in 2014.

The working environment modernization efforts were continued in 2013, as well as the human resources development with focus on reskilling and upskilling programs, individual development plan for the employees and enhancement of employees' engagement in material company matters.

Average training hours* in 2013		
	OTE	COSMOTE
Men	13.68	25.76
Women	9.76	20.68
Total staff	12.46	23.17

* Training hours per employee have been calculated based on the average headcount

Each employee should have access to opportunities of professional development, he should get informed of the corporate strategy, in order to comprehend the changes that take place within the company.

Recruitment

Filling positions internally with candidates from within OTEGroup continued to be OTE's key recruitment principle in 2013. In this way, capable and talented executives are retained, in the long run within the Group while the company offers opportunities to employees with many years of experience to undertake new duties and roles. In 2013, 54.2% of new positions were filled by internal candidates.

Moreover, following the successful completion of the voluntary exit schemes which were carried out in a socially responsible way and ethical manner, OTE Group proceeded with the hiring of 786 new employees.

Also during 2013, 759 college and university students had the chance to work in various organizational units as interns, to acquire work experience. An objective for 2014 is the restructuring of the traineeship program for college and university students.

OTE and COSMOTE took part in numerous "career days" organized primarily by universities and other bodies ("Job Fair Athens 2013", "ALBA Graduate Business School Career Forum 2013",

"Career Day Opportunities", "AIT Career Days 2013", "Career Days 2013»). Through these events, staff from the HR units meet with graduates, students and professionals, and explore future employment opportunities for them at the OTE Group.

The "Welcome on board" induction program

At the end of 2013, the company developed a new program called "Welcome on board" to welcome new employees to the company and help them assimilate. The program entails corporate presentations and interactive exercises, as well as games and quizzes so as to help newcomers in the Group absorb as much information as possible. New employees are also taken on visits to various corporate facilities.

The purpose of the program is for new employees to get to know OTE Group's multifaceted activities and to familiarize themselves with OTE's culture and its people. The induction program began in January 2014 and was attended by over 500 new employees.

> Employee engagement and satisfaction

The company is undergoing a transformation in its strategy and procedures. Acknowledging the effect of these changes on its employees, OTE is developing systems, programs and tools in order to support these changes in a responsible way. In addition, employee satisfaction surveys are used as a diagnostic tool for further improvement changes.

Feedback culture

In order to encourage employees to communicate openly, OTE created the changemanagementcomms@ote.gr e-mail account, where every employee can submit proposals regarding Human Resources issues.

OTE also has an HR Help Desk for issues pertaining to human resources management (voluntary exit schemes, evaluation systems, etc.).

Engagement

Towards supporting the changes which are being implemented for the transformation of the company, a contemporary and creative engagement tool was designed especially for employees from Fixed and Mobile, who are experiencing functional integration.

The purpose of this interactive program, which is based on open communication and feedback between employees and management, is the cultivation and reinforcement of a single corporate culture through the presentation and discussion on topics such as the Guiding Principles and their application in everyday work tasks, the understanding of corporate strategy and the changes taking place under difficult and competitive conditions.

Through the "Stay Tuned" program, employees creatively touch on the present and the future of the Organization. Its aim is also to determine new tools for the reinforcement of collaboration and partnership amongst people and teams (teaming toolbox).

Employee satisfaction surveys

The OTE Group attaches great importance to the record and systematic analysis of employees' opinions regarding their working environment. Under the motto "Participation-Contribution", employee surveys are an important tool for documenting employee opinions on their working environment. In 2013, 2 Pulse Surveys were carried out at OTE, COSMOTE and OTEplus, in parallel with the DT Group. During the same year, in over 300 group meetings, the results of the 2012 Employee Satisfaction Survey were presented and discussed, thus establishing a new framework for an open discussion with employees nationwide.

In particular, the detailed results of the two Pulse Surveys carried out during the year showed that on the part of employees there is a high level of identification with and dedication to the company and the Group, and that despite the transformation that is taking place, employees trust the companies and evaluate them positively, as a good, attractive and socially responsible employer. The detailed results of the two Pulse Surveys held in 2013 were published in the company's Intranet sites.

The target for 2014 is to improve the communication of the survey results to employees (roll out process) and to maximize the alignment of these results with the improvement programs (follow up process).

➤ **Communication with employee unions**

The open dialogue and communication with the elected employee representatives is continuing. In May 2013, Collective Agreements were signed with OTE Unions (OME-OTE) as well as COSMOTE Unions, stating that the terms of the Collective Agreements which were signed will remain in force until 31-12-2014.

➤ **Organization and compensation and benefit systems**

Organizational clarity and efficiency

In 2013, emphasis was placed on the detailed documentation of roles, responsibilities and procedures in order to ensure organizational clarity which in turn will support employees' professional development. According to the Job Family Manual (JFM) Model currently in progress, the new roles of fixed-line and mobile telephony are analyzed and described for employees, aiming at more efficient internal staffing and career path. The alignment of the models will be finalized with the completion of the overall restructuring of the company.

Moreover, all managerial positions (Top Management and Directors) were revised, based on the new organizational conditions of fixed-line and mobile telephony and their unified responsibilities, through contemporary methodologies.

The "Executive Grading Project" program which is also being implemented is a dynamic process which aims at ensuring clarity, transparency and objectivity regarding the contribution of each role, on a company and DT Group level.

Compensation and benefit systems

The implementation of compensation and benefit systems that mobilize employees and are aligned with today's market reality, is an important factor in the company's success.

As part of the company's transformation, the redesigning of the compensation and benefits systems continued throughout 2013, with an aim to motivate and reward employees based on their performance, with cost realization. The primary objective remains the alignment of the incentive systems in fixed-line and mobile telephony, as well as the harmonization of HR policies.

All the incentive systems will be developed under a common framework and will be linked to the company's strategic priorities, performance management, Deutsche Telekom methodologies (where applicable), and the Greek market.

➤ **Health and safety**

Ensuring a safe and healthy work environment for all employees, associates and customers constitutes a main priority for OTE. The company acts preventively, bearing in mind the relevant provisions of the legislation on both a national and European level, as well as the regulatory requirements, often going the extra step.

Health and Safety policies, as well as risk assessments, are carried out by the company's respective Health and Safety organizational units and are applied to 100% of the Group's human resources in Greece.

In 2013, with respect to the Health and Safety of OTE employees, the following actions were carried out:

- The certification of all of OTE and COSMOTE's operations according to the OHSAS 18001 standard
- The Identification of workplace hazards through written assessments of possible risks, with an aim to reduce or to eliminate them by taking the proper measures. These surveys are repeated whenever new activities/services are introduced or there is a change in the working conditions, and, in any case, every three years
- The regular control of the safety measures taken by contractors at the company's facilities
- The operation of fully equipped infirmaries in five OTE buildings and five COSMOTE buildings, to provide first aid, conduct check ups by specialized staff (nurses, occupational doctors, etc.), or for psychological support
- The systematic training of employees on the principles and practices of health and safety, and special training with respect to potentially dangerous tasks
- The organization of Emergency Response/First Aid Teams, the use of the fire extinguishers, and regular building evacuation drills
- Issues regarding Health and Safety are included in the Employee Satisfaction Survey that is conducted every two years. In 2013, the results of the 2012 survey were presented to the organizational units, with a focus on issues such as physical and psychological well-being and work life balance
- Hosting of conferences, publishing of newsletters and articles in the Intranet sites to promote physical and psychological health and well-being, throughout the year.

In 2013 the company set up a fully equipped gym in the premises of Paiania, where some of the company's operations are housed. This initiative aims to highlight the importance of physical health. The gym has already over 130 members.

In 2013, COSMOTE received a Partner of Excellence award at the Workplace Health Practices for Employees with Chronic Illness conference, for its combined actions and timely interventions towards reintegrating and supporting employees suffering from chronic illnesses.

CORPORATE RESPONSIBILITY: STRENGTHENING COMMUNICATION WITH OUR STAKEHOLDERS FOR SUSTAINABILITY ISSUES, THROUGHOUT 2013.

MANAGEMENT APPROACH

OTE and COSMOTE Corporate Responsibility (CR) strategy is embedded in the companies' core business strategy with CR initiatives linked to business objectives.

Their integrated CR framework, over the past six years, focuses on the most material issues, in Marketplace, Employees, Environment and Society, underpinned by stakeholder engagement, materiality analysis and cross-company goal setting.

OTE and COSMOTE CR strategy and program are founded on core values of both companies and on the application of CR methodology and management systems that are guided by international standards, such as the Global Reporting Initiative's Sustainability Reporting Guidelines and the Accountability AA1000 Principles on Inclusivity, Materiality and Responsiveness. Both companies aim to apply a precautionary approach to managing their operational impacts on sustainability, mainly through being attuned to stakeholder views, as well as to the key issues mentioned by them.

The goal of OTE and COSMOTE, in applying these guidelines, is to ensure that their CR strategy and program remain focused on the most material CR issues, i.e. the issues that are most influential for the success of the companies' day-to-day business and, at the same time, are most important to the companies' stakeholders.

As members of the Deutsche Telekom (DT) Group, the companies' CR framework is also aligned to DT's three CR action areas, namely Connected Life and Work, Connecting the Unconnected and Low- Carbon Society.

2013 AT A GLANCE

In 2013, a year of continued economic stress and hardship in Greece, both companies focused on shielding their organizations, transforming them, optimizing operations and creating prospects for further growth in the future. OTE and COSMOTE maintained a strong focus on improving their CR performance, by strengthening the companies' approach to risk management and business continuity, investing on responsible products and services development, continuing the organizations' restructuring, by enhancing a common culture, supporting new entrepreneurship and vulnerable social groups, and enhancing environmental management processes and actions. Most of the CR goals OTE and COSMOTE set for 2013 have been achieved.

> CR Governance and Management

The Chairman and CEO of OTE, by decision of the OTE's Board of Directors, has been given responsibility for overseeing CR strategy and activities.

The OTE Group Corporate Communications Division is responsible for the formulation and implementation of the companies' CR strategy, with its Director reporting directly to the Chairman and CEO.

The OTE Group Corporate Communications Division works on developing the CR strategy, coordinating and managing CR activities throughout the companies, collecting and collating CR data, monitoring the implementation of the CR measures and targets, as well as communicating internally and externally the companies' CR performance.

OTE Group Values			
Quality, Transparency, Responsibility, Social Awareness, Consistency, Continuity			
OTE and COSMOTE define Corporate Responsibility as their commitment to contribute to sustainable development, by proactively managing the companies' economic, social and environmental impacts, engaging their stakeholders effectively and ensuring the long term success of the two companies.			
Marketplace	Employees	Society	Environment
<ul style="list-style-type: none"> Responsible Competition Expanding Broadband and Mobile Internet Responsible Marketing Responsible Procurement Public Awareness of Technology Customer Satisfaction and Services Data Security and Privacy 	<ul style="list-style-type: none"> Health and Safety Fair Employment Employee Development Employee Benefits Internal Communication Employee Satisfaction 	<ul style="list-style-type: none"> Social Products & Services Social Contributions Employee Volunteerism Business Entairprising 	<ul style="list-style-type: none"> Energy Efficiency Road Transport Greenhouse Gases Water Material & Waste EMF Visual Impact Noise Public Awareness
Connected Life and Work		Connect the Unconnected	Low-Carbon Society

The Division also cooperates with DT in its International CR Manager Network, sharing experience, practices and goals on approaching the CR agenda.

At the same time, the OTE Group Corporate Communications Division provides the CR strategy, framework and guidelines for OTE Group international subsidiaries, which bear responsibility for deciding on their own CR organization structures, developing and performing their local CR activities and reporting on their performance.

For the management of CR issues, appropriate management systems have been developed to address quality, health and safety and environment issues. These systems form the Integrated Management System, which is overseen by the Management Systems' Steering Committee.

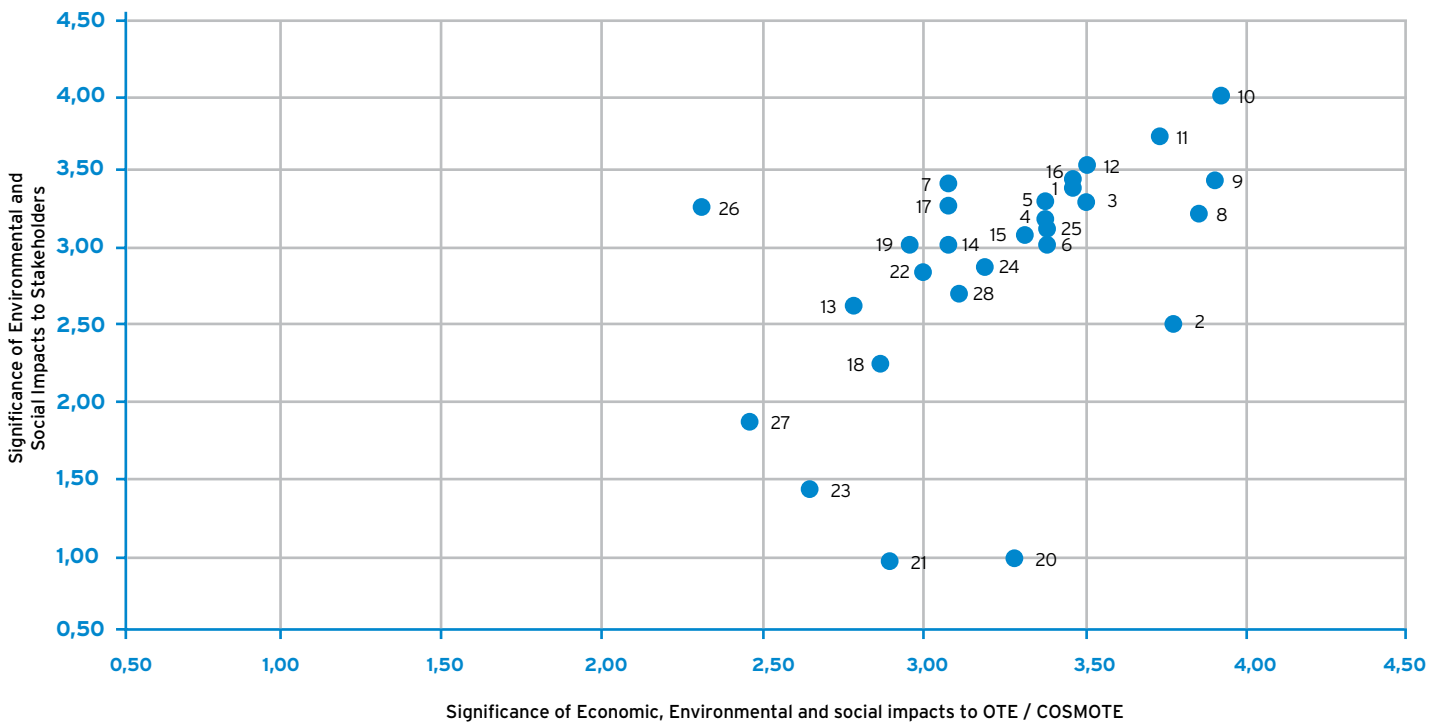
Part of the OTE Group Corporate Communications Division is the Corporate Responsibility Department, Fixed and Mobile, which coordinates the companies' social and environmental activities, through its Corporate Responsibility and Environmental Management Sections.

To improve the dissemination of CR principles and actions, with the companies' different business units and enable the collection of CR performance information, an integrated OTE-COSMOTE CR Team has been formed, with 50 representatives from all the companies' operations, who act as ambassadors for CR. The CR Team is chaired by the OTE Group Corporate Communications Director.

> Materiality analysis

In 2013 the CR Department, in an attempt to take OTE - COSMOTE approach to materiality analysis one step further, ran a materiality analysis process, which took into consideration the Enterprise Risk Management principles used by OTE Group. The process was organized and initiated in 2013, was completed in early 2014 and included 2 phases: the analysis of material issues by the OTE and COSMOTE Management Team and the analysis of material issues by the OTE and COSMOTE stakeholders.

This process enabled the CR Department, for the first time, to practically compare internal and external views of the companies' material sustainability issues. The results are presented in the following graph.



- | | | |
|--|----------------------------------|-------------------------|
| 1. Corporate governance | 11. Fair employment | 21. Road transport |
| 2. Economic contribution | 12. Employee development | 22. Greenhouse gases |
| 3. Responsible competition | 13. Employee benefits | 23. Water |
| 4. Expanding broadband and mobile Internet | 14. Internal communication | 24. Materials and waste |
| 5. Responsible marketing | 15. Employee satisfaction | 25. EMF |
| 6. Responsible procurement | 16. Social products and services | 26. Visual impact |
| 7. Public awareness of technology | 17. Social contribution | 27. Noise |
| 8. Customer satisfaction and service | 18. Employee volunteerism | 28. Public awareness |
| 9. Data security and privacy | 19. Enabling entrepreneurship | |
| 10. Health and safety | 20. Energy efficiency | |

► Ratings

OTE and COSMOTE operations focus on generating sustainable added value. In this context, the companies respond to investor analysts' requests and participate in sustainability-oriented ratings. OTE Group Corporate Communication Division, through its Corporate Responsibility Department, is responsible for coordinating, prioritizing and consolidating all inquiries from corporate responsibility rating agencies.

It works closely with the OTE Group Investor Relations Department, as well as, on an issue-by-issue basis, with all other Divisions to address external requests for information.

In 2013, OTE and COSMOTE responded to requests sent by EIRIS, a leading global provider of research into corporate environmental, social and governance (ESG) performance, and Vigeo, a leading European expert institution in the assessment of companies and organizations with regard to their practices and ESG performance issues.

Since 2010, OTE participates in the Carbon Disclosure Project (CDP) Index on climate change, by completing the respective questionnaire and making the required information available on the CDP platform. CDP is the world's largest investment-focused reporting and collaboration platform on climate change.

OTE has satisfied the requirements to become a constituent of the FTSE4Good Index Series, since 2008. The FTSE4Good equity index series, created by the FTSE Group global index affiliate, is designed to facilitate investment in companies that meet globally recognized Corporate Responsibility standards.

OTE participates, since 2008, in Greece's Corporate Responsibility Index (CRI), organized by Corporate Responsibility Institute, in cooperation with BITC (Business in the Community). OTE received the "Silver" distinction award in 2008 and 2009, the "Gold" distinction award in 2010 and 2011 and the "Platinum" distinction award in 2012. The 2013 evaluation is in progress.



**Participates in the
Carbon Disclosure
Project (CDP)
Index on climate
change**

**Has satisfied the
requirements to
become a
constituent of the
FTSE4Good
Index Series**

**Participates in
Greece's Corporate
Responsibility Index
(CRI)**

► Awards

During 2013, OTE and COSMOTE received a number of awards and recognitions for their CR commitments and actions, as follows:

- At the Environmental Awards 2014, organized by Bousias Communications and Plant Management, OTE's and COSMOTE's performance was awarded in three different categories:
 - "Waste Management": Grand Award
 - "Sustainable Built Environment-Energy Building": Gold Award
 - "Climate Protection-GHG Offset": Silver Award
- At the 10th Enterprise Awards MONEY-George Ouzounis, OTE was ranked 2nd in two categories:
 - "Best Company - 2013"
 - "Investment Relations - 2013"
- At the CR Reports Awards, organized by the University of the Aegean, which rated the CR Reports published in Greece, OTE - COSMOTE 2012 CR Report was awarded 3rd place
- At the 2012 Tech Excellence Awards, organized by the technology magazine "PC Magazine":
 - OTE was named the "Internet Service Provider (ISP) of the Year"
 - COSMOTE was named the "Mobile Phone Company of the Year"
- At the National Customer Service Awards 2013, organized by the Greek Customer Service Institute:
 - OTE won the award for the "Best Training Group on Customer Care"
 - COSMOTE won the award for the "Best Customer Service Center of the Year"
- At the Survey of Transparency International in Greece, OTE was ranked at the top, regarding level of disclosure of the anti-corruption program, implemented by the largest companies in Greece.

► OTE - COSMOTE Key CR Achievements in 2013

- The Chairman and CEO of OTE, has been formally appointed, by the Board of Directors, and has the responsibility of overseeing the companies' CR strategy and activities
- Further enhancement of OTE Group CR strategy
- Building a more structured materiality analysis process for sustainability issues, by involving the OTE and COSMOTE Management Team and stakeholders
- Strengthening of the companies' Integrated Management System, which is now overseen by the newly established Management Systems' Steering Committee
- Investment, in view of the ICT enabling role in environmental protection, society's support and economic growth, in developing sustainable product and services (e.g. OTE Business Cloud, Fleet Management service, M2M solutions in collaboration with the Hellenic Electricity Distribution Network Operator etc.), and enabling research and innovation activities in the field
- Educating over 65,000 citizens on topics such as safe use of the Internet and mobile telephony services
- Continued recognition of OTE and COSMOTE as leaders, between social responsible Greek companies, having achieved the 5th (OTE) and 1st (COSMOTE) place in the 2013 Awareness and Social Behavior Index (A.S.B.I.)
- Approval and implementation of the OTE's Supplier Code, which describes the criteria that OTE uses to evaluate its suppliers on Labor, Health and Safety, Environmental and Ethical issues
- Enhancement of a single corporate culture, through the integration of the corporate values into HR systems and processes asso-

ciated with daily tasks and roles of employees

- Consideration of CR aspects in the performance evaluation process of all employees
- Implementation of socially founded staff restructuring programs within the context of the companies' transformation process, including OTE Voluntary Exit Schemes
- Organizational restructuring and effectiveness, through the operational integration of fixed and mobile business units
- Contributions to society, (more than € 2.4 mn) through financial and in-kind donations and sponsorships
- Fundraising of €550,000, to support children in need, through OTE's "Christmas Campaign" and COSMOTE's "Custom of Love" campaign
- Support and promotion of entrepreneurship, through OTE's "yourbusiness.gr" service, the "COSMOTE StartUp" program, realized within "Our world, is you" action, COSMOTE's "Share your Success" action and through the support of the "egg - enter·grow·go" program. and the
- Awarding of 46 Scholarships and Honorary Distinctions, through the OTE-COSMOTE Scholarships Program
- Successful completion of formal external audits and awarding to OTE of an ISO 14001:2004 certification covering all of its activities, and of the surveillance audit for COSMOTE ISO 14001:2004
- Continuation of the decreasing energy consumption trend and of the associated GHG emissions (decrease by 1% compared to 2012 for both) as a result of the energy conservation measures in place, even though activity growth in the ICT sector is expected to further increase the associated electricity consumption as new Base Stations and additional telecom equipment. The overall economic effect (benefit) of the electricity conservation measures already implemented on the operational cost of OTE / COSMOTE is estimated at € 2.3 million
- Initiation in 2013, of two new programs in the scope of the integrated waste management approach followed by OTE and COSMOTE. The first one, implemented at the central administrative offices (2 buildings), concerns the recycling of packaging materials (plastic, aluminum, tetrapack), paper, ink cartridges (but also light bulbs, small electric and electronic appliances, portable batteries and phone devices, mobile and landlines, with their accessories), and is based on the sorting-at-source principle, with centralized waste collection and management. The second is an expanded recycling program for batteries, ink cartridges and phone devices (mobile phones and landlines with their accessories) implemented through the OTE-COSMOTE-GERMANOS retail network (i.e. about 520 retail outlets countrywide in 2013)
- Enhancement of the EMF measurement program, which in 2013, completed 9 years of continuous operation, with the addition of 10 new monitoring stations, bringing the total to 210.

Some of OTE Group's social and environmental indicators are mentioned below:

2013 Social and Environmental Performance	OTE	COSMOTE	ROMTELECOM	COSMOTE Romania	AMC
Employees					
Number of employees on permanent contract	6,878	2,045	6,796	1,283	471
Percentage of female employees	31%	51%	36%	50%	59%
Employees covered by collective bargaining agreements (%)	99%	92%	100%	0%	0%
Work-related fatal accidents (number of employees)	0	0	0	0	0
Work-related non-fatal accidents (number of employees)	31	14	3	1	0
Training hours (hours/employee)	10.53	31.86	13.39	52.01	8.30
Society					
Sponsorships - Donations (incl. in-kind) (€)	1,052,129	1,559,517	108,501	79,302	78,500
Number of volunteering projects	5		4	2	3
Employee volunteering (number of employees participated in corporate volunteering programs)	2,994	1,911	179	34	255
People supported through corporate volunteering programs (estimated)	28,050		1,370	200	1,485
Environment					
Electricity consumption (GWh)	251.80	156.21	139.20	82.01	17.98
District heating and fuel consumption in buildings and installations (GWh)	12.36	16.60	32.40	1.29	8.58
Fuel consumption in vehicles fleet (GWh)	27.67	7.98	41.77	6.10	1.76
Direct (scope 1) CO2 emissions (t)	9,777.41	6,363.09	14,130.65	1,787.24	2,722.21
Indirect (scope 2) CO2 emissions (t)	181,295.47	112,472.12	72,659.33	40,920.84	125.88

CORPORATE GOVERNANCE FOR THE PROTECTION OF SHAREHOLDERS' INTERESTS

Corporate governance refers, traditionally, to the system with which companies are managed and controlled, as well as to the relations between the company's Management, its Board of Directors, its shareholders and all other stakeholders. **The corporate governance framework for listed companies is a combination of legislature and non-binding rules (soft law), which includes, among other things, corporate governance codes.**

As a large capitalization company listed on the Athens Stock Exchange, with its shares also traded on the London Stock Exchange (LSE), OTE complies with applicable domestic and international legislation regarding the principles and practices of corporate governance. It should be noted that following OTE's delisting from the New York Stock Exchange, its American Depository Shares (ADSs) trade in the OTC (Over the Counter) market through the Level I ADSs program.

The consequent provisions and practices regarding the company are included in the Articles of Incorporation, the Internal Regulation, as well as in other company regulations and policies which regulate its individual operations.

CORPORATE GOVERNANCE SYSTEM

OTE complies with the special practices defined by the Hellenic Federation of Enterprises (SEV) Corporate Governance Code for Listed Companies, as currently in force as the Hellenic Corporate Governance Code (EKED), following its revision/amendment by the Hellenic Corporate Governance Council (ESED) in October 2013.

OTE's Corporate Governance Statement is published in the company's 2013 Annual Financial Report.

At the core of a sound corporate governance system are principles and practices regarding the role of the Board of Directors and Management team, the protection and the role of shareholders, as well as the enhancement of transparency, control and information disclosure by the company.

THE BOARD OF DIRECTORS

> Composition of the Board of Directors

The table that follows lists the members of the BoD with dates of commencement of office and dates of termination of office of each one.

NAME	CAPACITY	DATE OF INITIAL COMMENCEMENT OF OFFICE AND POSSIBLE RE-ELECTION	TERMINATION OF OFFICE
Michael Tsamaz	Chairman and Managing Director, Executive member	Commencement 3/11/2010 Re-election 15/6/2012	2015
Nikolaos Karavitis	Vice-Chairman, Non-executive member until 29/12/2013, Independent non-executive member as of 30/12/2013	Commencement 11/10/2013	2015
Dimitrios Tzouganatos*	Vice-Chairman, Independent non-executive member	Commencement 23/6/2010 Re-election 15/6/2012	27/9/2013
Raphael Kübler	Non-executive member	Commencement 23/5/2013	2015
Klaus Müller	Non-executive member	Commencement 15/11/2011 Re-election 15/6/2012	2015
Claudia Nemat	Non-executive member	Commencement 26/10/2011 Re-election 15/6/2012	2015
Christos Kastoris	Independent non-executive member	Commencement 11/10/2013	2015
Charalambos Mazarakis	Executive member	Commencement 19/7/2012	2015
Theodoros Matalas	Independent non-executive member	Commencement 11/10/2013	2015
Stylianios Petsas	Non-executive member	Commencement 3/9/2013	2015
Panagiotis Tabourlos	Independent non-executive member	Commencement 17/6/2004 Re-election 15/6/2012 (most recent)	2015
Leonidas Filippopoulos	Independent non-executive member	Commencement 11/10/2013	2015

NAME	CAPACITY		TERMINATION OF OFFICE
Efstathios Anestis*	Non-executive member	Commencement 23/6/2010 Re-election 15/6/2012	3/10/2013
Nikolaos Karamouzis**	Non-executive member	Commencement 23/6/2010 Re-election 15/6/2012	12/8/2013
Michael Bletsas*	Independent non-executive member	Commencement 23/6/2010 Re-election 15/6/2012	27/9/2013
Vassilios Furlis*	Independent non-executive member	Commencement 23/6/2010 Re-election 15/6/2012	27/9/2013
Timotheus Höttges***	Non-executive member	Commencement 6/12/2011 Re-election 15/6/2012	23/5/2013

*Vice-Chairman Mr. D. Tzouganatos and members Messrs. Efstathios Anestis, Michael Bletsas and Vassilios Furlis submitted their resignation (on the dates cited in the table above) and on 11/10/2013 they were replaced by Messrs. Christos Kastoris, Nikolaos Karavitis, Theodoros Matalas and Leonidas Filippopoulos respectively for the remainder of their tenure. Mr. Nikolaos Karavitis was named Vice-Chairman of the BoD, initially (on 11/10/2013) as a Non-executive member, however, by resolution of the Shareholders' Extraordinary General Assembly on 30/12/2013 and following a proposal by Shareholder the Hellenic Republic, he was designated as an Independent non-executive member.

**Member Mr. Nikolaos Karamouzis submitted his resignation on 12/8/2013 and was replaced by Mr. Stylianos Petsas on 3/9/2013.

***Member Mr. Timotheus Höttges submitted his resignation on 23/5/2013 and was replaced by Mr. Raphael Kübler. The above replacements were announced on the day immediately following their election at the General Assembly of Shareholders.

► Composition of the BoD Committees

Audit Committee

Until September 2013, the Audit Committee comprised the following members: Panagiotis Tambourlos (Chairman - Financial Expert), Dimitrios Tzouganatos (Member) and Vassilios Furlis (Member). Following the resignations of Messrs. Dimitrios Tzouganatos and Vassilios Furlis, the Extraordinary General Assembly of Shareholders designated on 30/12/2013 Messrs. Nikolaos Karavitis and Christos Kastoris as the new members of the Committee. Mr. Panagiotis Tambourlos remained the Committee's Chairman and Financial Expert.

Compensation and Human Resources Committee

Until August 2013, the Compensation and Human Resources Committee comprised: Nikolaos Karamouzis (Chairman), Charalambos Mazarakis (Member) and Ms. Claudia Nemat (Member). Following the resignation of Mr. Nikolaos Karamouzis, the BoD designated Mr. Panagiotis Tambourlos as the new member and Chairman of the Committee on 26/9/2013.

MANAGEMENT TEAM

The members of the Management Team during the period 2013-2014 are presented in the following table:

NAME	CAPACITY
Michael Tsamaz	Chairman and Managing Director
Zacharias Piperidis	OTE Group Chief Operating Officer
Charalambos Mazarakis	OTE Group Chief Financial Officer
George Athanasopoulos	OTE Group Chief Information Technology Officer
Aristodimos Dimitriadis	OTE Group Chief Compliance, ERM and Insurance Officer
Eirini Nikolaidi	General Counsel OTE Group and Executive General Director of Legal & Regulatory Affairs OTE Group
Stefanos Theocharopoulos	OTE Group Chief Technology and Operations Officer, Fixed & Mobile Telephony (As of 2/04/2013)
Konstantinos Liamidis	OTE Group Chief International Operations Officer, with parallel responsibilities of Chief Technology & Operations Officer (From 15/12/2012 to 1/4/2013)
Elena Papadopoulou	OTE Group Chief Human Resources Officer
Maria Rontogianni	OTE Group Chief Internal Auditor
Ioannis Konstantinidis	Chief Strategic Planning & Transformation Officer
Deppie Tzimea	Head of Corporate Communications OTE Group

SHAREHOLDERS

> General Assembly of Shareholders

In accordance with Corporate Law 2190/1920 as currently in force and OTE's Articles of Incorporation, the General Assembly of Shareholders is the company's highest ranking body and may resolve upon all matters of the company unless otherwise stated in the company's Articles of Incorporation.

The General Assembly of Shareholders convenes at the call of the Board of Directors in an ordinary session once a year, within six months of the end of the previous fiscal year, whereby the annual financial statements are approved, and certified accountants and members of the Board of Directors are absolved of any potential indemnity. The Board of Directors may also convene extraordinary General Assemblies of Shareholders whenever it is deemed necessary.

> Payment of dividends

Shareholders are eligible to receive dividends following the approval of the annual financial statements by the Ordinary General Assembly of Shareholders.

CONTROL MECHANISMS

► Internal Audit

The company has an independent Internal Audit Department which continuously monitors the effective operation of the Internal Audit System that includes control mechanisms and procedures which cover the full scope of the company's activities.

2013 at a glance

In 2013, the OTE Group Internal Audit carried out the Annual Audit Plan which has been approved by the Audit Committee, as well as special audits upon Management's request. The drafting of the Audit Plan is based on the results produced by the identification and assessment of the risks according to the methodology observed on a Group level. The results of the audits as the evaluation of the efficiency of the Internal Audit System are made known to Management and the management actions that arise are monitored systematically and are made known to the Audit Committee and Management.

Furthermore, towards attaining the objectives of Internal Audit, the updating of the procedures of the Group's Internal Audit has been secured, in order to continuously ensure the quality of the auditing activity, while at the same time satisfying all the provisions of Internal Audit's international standards.

Objectives for 2014:

The Internal Audit's strategic objectives for 2014 include the following:

- Successful implementation of the Annual Audit Plan which will lend added value to the Group's smooth operation
- Application of new, aligned at a Group level procedures, regarding the operation of the Internal Audit.

► External Audit

The company's regular audit is carried out by certified auditors. To this end, every year, the Ordinary General Assembly of Shareholders approves the appointment of an auditing firm or a consortium of auditors to audit the company's financial statements and business operations over the fiscal year being audited.

OTE's Ordinary General Assembly of Shareholders in June 2013 agreed to assign the regular audit of the 2013 financial statements to the firm PRICEWATERHOUSECOOPERS SA. The fee for the audit of the stand-alone and consolidated financial statements was set at €478,000.

TRANSPARENCY AND DISCLOSURE

► Established procedures

Placing special emphasis on transparency and disclosure, the company implements various related procedures, which stem from the legislative framework in force:

- Regulated Information Disclosure Process, which is implemented pursuant to the provisions of Law 3556/2007, Decision 1/434/3.7.2007 and circular No. 33 of the Hellenic Capital Market Commission, regarding information disclosure and transparency requirements for issuers whose moveable assets are publicly traded on organized markets
- Processes pursuant to the provisions of Law 3340/2005 for the protection of the capital market from the actions of insider traders and actions to manipulate the market and Law 3016/2002 on Corporate Governance.

► Compliance

The OTE Group has adopted a Compliance Management System (CMS) regarding the company's compliance with the legislation in force, as well as internal policies, aiming to prevent risks and other legal consequences for the company and its employees.

2013 at a glance

- The OTE Group's Compliance Risk Assessment for the year 2013 was conducted.
- The following policies were revised/adopted:
 - Amendment of the OTE Group Policy on Avoiding Corruption and other Conflicts of Interest
 - Adoption of the OTE Group Policy on Anti-trust Law
 - Amendment of the Events Policy
 - Amendment of the Policy on Insider Trading
 - Amendment of the Policy on Donations and Sponsorships
 - Adoption of OTE Group's new Policy on Pensions and Risk Benefits Programs
- Training / briefing of company personnel regarding Compliance Policies: An Anti-Corruption Training Program took place and as well as an Anti-Fraud and Code of Ethics for Senior Financial Officers E-Learning Training Program addressed to the OTE Group Financial Officers. The program was attended by executives from selected organizational units
- Communication of messages regarding Compliance issues: Emphasis was placed on communicating important messages on the part of the Compliance Division to Management and company employees through relevant announcements
- Drafting of the Annual Compliance Statement and the Conflicts of Interest Statement for OTE and all affiliated companies' BoD members as well as for the Management team of OTE Group companies
- Submission of signed Statements by Senior Financial Officers, based on the provisions of the Code of Conduct for Senior Financial Officers: BoD members and the Senior Financial Officers signed statements on having knowledge of and complying with the provisions of the Code of Conduct for Senior Financial Officers
- Integrity Check and Compliance Business Assessment Procedure: In order to avoid risks when working with suppliers, the company established the Integrity Check and Compliance Business Assessment Procedure. This procedure is conducted when a collaboration with a supplier begins, taking into account both OTE's anti-corruption practices and the internal regulations.

Objectives for 2014

The company's compliance-related strategic objectives include:

- Certification regarding the effectiveness of Anti-Trust Compliance Program
- Process of initiation, adoption and implementation of BS 10500 (British Standard "Anti-Bribery Management System").

> Communication with Shareholders

Apart from established procedures that ensure transparency, OTE has adopted a number of other practices that enhance the disclosure and dissemination of information to all interested parties, such as:

- Uploading and posting of company-related information on the OTE website so that all interested parties can have equal and timely access to information
- The release of corporate publications (Annual Report, Corporate Governance Report, Corporate Responsibility Report) which enhance the continuous flow of information on issues that relate to the company's strategy, targets, operation and performance
- The establishment of a two-way communication channel between company representatives and the investment community, through the organization of conferences, corporate presentations, investor days, road shows (in Greece and abroad) and conference calls.

More information on OTE's Corporate Governance system is available in OTE's Corporate Governance Report 2013 (in-print edition) and at: <https://www.ote.gr/web/guest/corporate/ir/publications/corporate-governance-reports>

MARKET TRENDS: CHALLENGES AND OPPORTUNITIES

➤ Residential customer market

Continued growth in broadband services

The growth rate of broadband services in Greece continued to keep pace in 2013, remaining at about the same levels as in 2012. This is a positive development, given the intensified economic crisis gripping the country which inevitably has a negative effect on the telecommunications market. Despite the adverse economic conditions, the fiercely competitive environment and regulatory restrictions, OTE was able to end 2013 with an increase in its subscriber base equivalent to the increase it achieved in 2012 and with a 44% share of the broadband services customer base.

Relentlessly focused on the increased penetration of broadband services in Greece and their technological evolution, OTE contributes to the country's overall technological progress. Through the quality of its services, as well as the reliability of its networks, the company not only continues to ensure access to broadband services even in the most remote areas, but advances them, with the further development of its VDSL network.

Increased competition in providing integrated solutions to the customer

During 2013, competition between operators intensified even further (and in line with the trend that emerged in 2012) in terms of providing integrated services to the customer. The bundled offers providing integrated, attractive voice, Internet and TV solutions prevailed, adapted to the new economic realities of consumers in Greece. The additional discounts offered to subscribers who combine the Double Play package with their mobile or pay-TV package are a characteristic example of this trend.

Moreover, in order to reverse the drop in services take up, telecom operators resorted to targeted offers based on the sales channel (e.g., a better price for the on-line purchase of a package) and on social criteria (special offers for the unemployed, pensioners, university students, etc.).

At a difficult time for consumers, OTE was able to launch in 2013 a new portfolio of discount packages for residential customers. The main feature of these packages was the increase in customer benefits, at 2012-level prices, while at the same time maintaining their high quality and reliability in terms of service provided. Following this, OTE succeeded in increasing its customer base in the broadband services market by 7% compared to 2012, numbering 1,261,590 customers.

Likewise, the demand for VDSL Internet services gradually grew. By December 2013, VDSL customers numbered 43,482.

➤ Corporate and business customer market

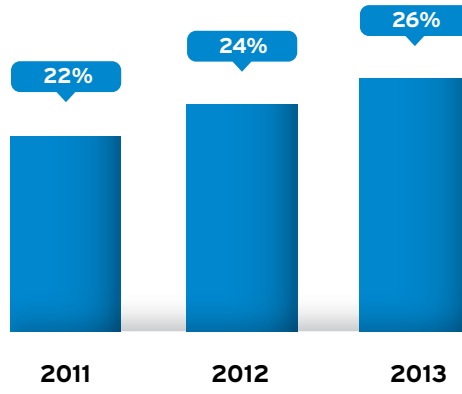
In the corporate and business customer market, where the need for converged fixed-line and mobile telephony services and offers is more strongly recorded telecom operators have responded through partnerships or buyouts.

The business market, in 2013, recorded once again demand for integrated solutions combining Internet and value added services with guaranteed quality at competitive prices.

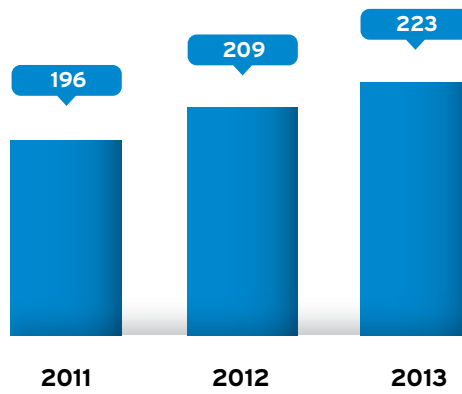
Moreover, with regard to ICT services, despite the fact that the wider macroeconomic environment negatively affects the ability of Greek businesses to invest in Information and Communication Technologies, especially given the expenses required for business software, the developing ICT market presents opportunities for the operators themselves to evolve (in terms of technology and customer experience), while at the same time to meet the growing demand of businesses for high-quality ITC projects, marked by versatility and innovation.

With respect to the demand for connectivity services, in 2013 the trend continued for the gradual replacement of traditional services (e.g., leased lines, ATM) with newer, developing services markets (IP VPN, Ethernet).

Greek broadband population penetration



Total Greek broadband market net additions (000)



2013 AT A GLANCE

> Aiming to build a state-of-the-art Next generation Network for high-quality VDSL services

OTE is continuing the development of its New Generation Access (NGA) network, which began in 2010. In 2013, the expansion of the NGA network continued in many urban and semi-urban areas, achieving coverage of almost 25% of phone lines nationwide (up from 20% in 2012). By the end of the year, and as a result of technical works, more than 1,200,000 fixed-line subscribers could access OTE's VDSL services (up from 1,000,000 in 2012).

At the same time, **the company developed the VDSL2 access technology based on the FTTC (Fiber to the Cabinet) architecture, through the installation of Fiber Optic from the Local Exchange to the open-air cabinet (Serving Area Interface - SAI) in replacement of the copper network.** In this way, the company aims to eliminate any technical issues that may occur as a result of the distance between the customer and the SAI and to provide very high speed broadband services to the end users. By the end of 2013, OTE was providing broadband VDSL access nationwide, through the FTTC network, to 1,665 cabinets, compared to 599 cabinets during the same period in 2012.

In addition, the company is expanding the availability of its very high-speed Internet service offering through the installation of VDSL infrastructure at the Local Exchange, thus providing a greater number of customers with the option of accessing the Internet at speeds of up to 50 Mbps. By the end of 2013, OTE was providing broadband VDSL access to 277 Local Exchanges, compared to 179 Local Exchanges by the end of 2012.

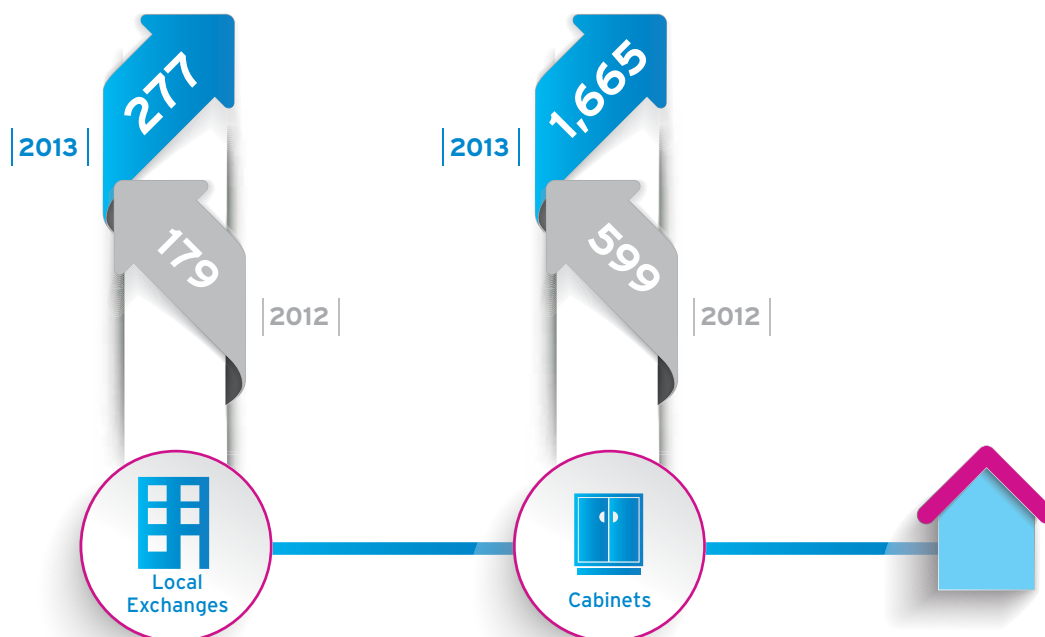
The ADSL network installed ports, in 2013, climbed to 1,891,000 from 1,832,000 at the end of 2012.

> Regulatory developments: Greater flexibility in the implementation of the company's tariff policy

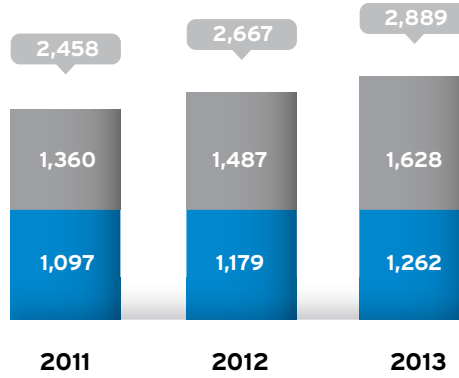
A major development in regulatory issues with respect to OTE's fixed-line services in 2013 was the Hellenic Telecommunications and Post Commission's (EETT) decision to lift OTE's ex ante regulation with respect to tariffs for local, national and mobile calls. According to the previous regulatory status quo, OTE was obliged to submit to the EETT tariff amendments regarding national calls to land lines (of its own network or to third party fixed-line networks), as well as calls to mobile phones. This practice led to a delay in the amendments being applied to OTE's tariffs in the call categories mentioned above.

According to the new regulation, OTE is granted the flexibility needed for the immediate adjustment of its tariff policy to the fiercely competitive Greek electronic communications market.

NATIONWIDE BROADBAND VDSL ACCESS THROUGH THE FTTC NETWORK

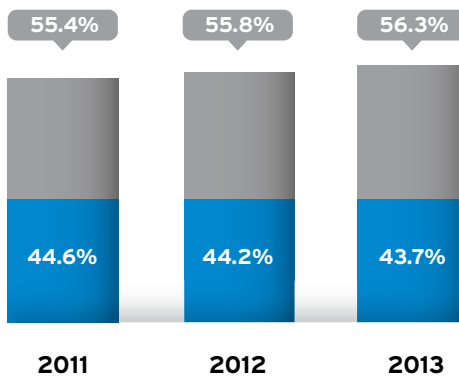


Total Greek broadband market (000)



■ Competitors Broadband (OTE Wholesale + LLU Broadband)
■ OTE Retail Broadband Subscribers

Broadband market shares



■ Competitors Broadband (OTE Wholesale + LLU Broadband)
■ OTE Retail Broadband Subscribers

CUSTOMER EXPERIENCE

OTE has remained steadily number one in terms of consumer preference again in 2013, as is borne out by its strong brand preference and its high customer satisfaction scores. Focus on meeting customer needs, OTE constantly improves its services, its distribution channels and its customer services.

► Improvement of services-new services

Residential customer market: Increased access speeds and privileged prices

Through OTE Double Play, OTE remains the main agent for new technology development in Greece and the no 1 choice of customers for high quality broadband services. In 2013, OTE upgraded OTE Double Play by doubling the low Internet access speed to 4 Mbps and increasing talk time to mobile phones as much as fivefold, thus meeting its customers' needs for high speeds and practically unlimited telephony. These packages, offered at a privileged price for the first six months, were especially attractive to residential customers.

Moreover, OTE's Double Play VDSL packages, which were launched for the first time in November 2012, continued to show an increased demand in 2013, its price having been lowered by €5 as of the fourth quarter of 2013 and offering five times as much talk time to mobile phones.

The first half of 2013 saw the launch of the "OTE Double Play and "OTE TV" combined package. The launch took place as part of OTE's strategic positioning in the triple play residential customer market. **The further development and penetration of triple play is one of the company's strategic objectives for 2014.**

With respect to value added services, OTE's portfolio includes:

• 11888

11888 is an integrated, nationwide directory (professional and residential), The 11888 service, which is available via phone, mobile application and on the web offers businesses and professionals the chance to promote their products and services through special, competitively priced packages. The company's objective is to make 11888 a Top of Mind directory service.

• 14784

14784 is OTE's new number which handles the requests of citizens insured under the Greek National Organization for Health Care (EOPYY). 14784 offers, on a 24-hour basis a series of integrated services, including: making medical appointments with EOPYY's Health Units and providing information regarding the health services offered by EOPYY (through web, telephone, Smartphone and tablet-applications).

OTE Double Play packages in 2013

Programme	Internet	Fixed Calls	Mobile Calls	Quoted Price per month	Offer Price per month for the first 6 months
OTE Double Play 4 Economy	4 Mbps	210'	30'	€ 27.90	€ 23.90
OTE Double Play 4 Unlimited	4 Mbps	Unlimited	-	€ 32.90	€ 27.90
OTE Double Play 4 Unlimited Plus	4 Mbps	Unlimited	120'	€ 36.90	€ 31.90
OTE Double Play 24 Economy	up to 24 Mbps	210'	30'	€ 32.90	€ 27.90
OTE Double Play 24 Unlimited	up to 24 Mbps	Unlimited	-	€ 36.90	€ 32.90
OTE Double Play 24 Unlimited Plus	up to 24 Mbps	Unlimited	300'	€ 40.90	€ 36.90
OTE Double Play VDSL 30 Unlimited	up to 30 Mbps	Unlimited	-	€ 41.90	€ 36.90
OTE Double Play VDSL 30 Unlimited Plus	up to 30 Mbps	Unlimited	60'	€ 45.90	€ 40.90
OTE Double Play VDSL 50 Unlimited	up to 50 Mbps	Unlimited	-	€ 46.90	€ 41.90
OTE Double Play VDSL 50 Unlimited Plus	up to 50 Mbps	Unlimited	60'	€ 50.90	€ 45.90

• **Business customers market: Opportunities for development in the emerging markets of the technologically advanced ICT and Cloud services**

For its business and corporate customers, OTE offers integrated solutions that combine voice services, broadband Internet access, as well as connectivity and Data Centre services.

The year 2013 saw a rapid increase in VDSL services take up in the business and corporate customer segment. In light of this development, OTE presented the new OTE Business Double Play portfolio for intra-company mobile phones.

Specifically, the company expanded its pre-existing Business Double Play 2 services portfolio in order to meet the particular needs of businesses for unlimited fixed-line telephony, traffic to intercorporate mobile phones, access to and an integrated presence on the Internet. The OTE Business double play package for intra-company mobile phones (FMC) is provided per connection and offers unlimited calls to national land lines, 1.000 minutes for mobile, intra-company calls (COSMOTE Business mobile phones that belong to the same VAT Registration Number as the customer's fixed-line), and up to 500 minutes to national mobile phones. In addition, it charges local rates for international calls to fixed-line destinations in EU countries and further discounts for other International Destinations (Zones I, II, III, IV). The new portfolio is available in 4 product lines: Single Play, Basic, Web Pack, Web Pack and Static, depending on the needs of each business.

Cloud Services

As part of its new business packages, OTE continued to market the integrated OTE Business Cloud service, which introduces businesses to the technologically advanced services of Cloud Computing. This is the new business model, which changes the way in which IT infrastructure (hardware and software) is viewed. The OTE Business Cloud minimizes the traditional high costs of hardware/software acquisition and maintenance, while at the same time it ensures, under extremely favourable terms and at a specific quality service-level-agreement (SLA), the usually expensive high availability. The OTE Business Cloud service is available in the form of pay-as-a-service, without requiring any special instalment or purchase of equipment. In essence, the OTE Business Cloud, offers on-line services with a safe and uninterrupted provision of IT infrastructure, which one can access directly through easy-to-use monitoring and management tools.

As part of OTE's strategy to further develop its ICT services and given that its cloud services constitute a dynamically growing segment of the IT market and that its business model as a Service conforms with the business operation of a telecom provider, OTE intends to further develop its cloud services portfolio, with an emphasis both on services designed for small to medium-sized companies and to IT/cloud solutions for large businesses and organizations.

Moreover, in 2013, OTE continued to offer, with great commercial success, the yourbusiness.gr service, which provides businesses, free of charge, for a year integrated services for the creation of websites and e-shops. Customers can secure the domain name they choose and are given access to numerous tools for the promotion of their business activity (e-mail and sms campaigns, newsletters, business cards and promotional materials such as posters, etc.).

- **OTE Business Fixed-line:** includes the OTE Business Unlimited and the OTE Business Time Packages
- **OTE Business Double Play:** combines unlimited local and national calls to all networks, up to 500' of free talk time per month to other national mobile networks and ADSL speeds from 4 to 24Mbps or VDSL up to 50Mbps for unlimited Internet access
- **Networking & Business Internet Services:** a comprehensive package of alternative solutions for networking and Internet access
 - **Networking:** includes IP VPN and OTE Ethernet services
 - **Business Internet:** includes the following services: OTE Business ADSL & VDSL (up to 50 Mbps), Dedicated Internet Access (up to 1 Gbps), OTE Managed Network services (option for online networking and business equipment monitoring and management), OTE Internet Presence-OTE Web Hosting (option to host customers' business web pages on web servers installed in ultra modern Data Centers, and the option to register Domain Names), OTE Web Portal Packs packages for the creation of a corporate site and e-shop)
- **Business Solutions:** services that meet the needs of businesses for integrated solutions on a System Integration level.
 - **OTE Business Cloud:** Services to provide Infrastructure-as-a-service, such as cloud servers & virtual servers
 - **OTE Unified Communication Box:** an innovative "all-in-a-box" IP call center service with TDM options
 - **Data Center** (Athens and Thessaloniki) for businesses that require reliable and seamless operation of their equipment, as well as the use of a high network capacity
 - **OTE Audio and Video Conference**

ICT Services

OTE has extensive experience in the roll out and management of ICT (Information and Communication Technology) projects, given that the company manages a wide range of information networks and infrastructure and is constantly upgrading its technological infrastructure. **OTE's strategic objective is the further development and commercial promotion of ICT services.** OTE provides tailored solutions, while there is also the option of customized solutions depending on the size or the special requirements of the businesses. For example, the level/amount of electronic data processing of a business, depends to a large extent on the size of the business. The same applies to IT infrastructure and the custom-made software required.

Networks/Networking

In 2013, OTE set up large corporate IP VPN networks for customers from the private and public sectors. In addition, 2013 saw the launch of the new Secure IP VPN Access service, which allows for the safe remote access from anywhere in the world to a customer's IP VPN. In the second half of 2013, the company also enhanced its managed services (Managed WAN), providing its customers with additional capabilities for monitoring their private network (VPN) or their Internet connection (Dedicated Internet access).

Business solutions

In 2013, OTE started providing integrated Information Security services to its corporate and business customers. These services included the following:

- Security consulting services (Vulnerability Assessment, Penetration Testing, Information Security Policies, etc.)
- Integrated security solutions in partnership with the world's leading security equipment providers
- Managed Security Services which run from a well-equipped and staffed, running on a 24hr basis (24x7x365) Security Operations Center.

Moreover, OTE was active in the area of health, offering:

- Value added services with respect to patients and the persons accompanying them
- Services to the medical and nursing staff, to better manage resources, reduce costs and ensure the quality of communication
- Applications for identifying and monitoring assets in order to reduce losses or cases of poor maintenance of medical equipment, while at the same time improving the time in which this equipment can be found and made immediately available.

► Distribution network and customer service

The company's strategy with respect to its distribution network and sales channels involves:

- Simplifying procedures to save time and cut back on costs
- Emphasizing customer's e-experience
- Changing the way in which customer requests and complaints are managed, e.g., continue to invest in applications that improve the procedure through which customer problems are solved, such as the new OTE Care Voice Interactive system (IVR) for faster problem solving and the use of SMSes to inform the customer of the fault repair status. In addition, with respect to

telephone faults, OTE offers residential customers, whose telephone line has been disconnected for over 24 hours, the free transfer of incoming calls to another fixed-line or mobile telephone/line until the fault is repaired

- Rewarding customers for their loyalty
- Reinforcing the "customer experience" corporate culture.

Revamp of the OTE and COSMOTE shops

For yet another year, the OTE, COSMOTE and GERMANOS shop network contributed significantly to the attainment of OTE Group's strategic targets. The OTE and COSMOTE shops were renovated towards an integrated and revamped look and feel.

Specifically, 98 OTE shops were fully renovated, while the rest of the shops are expected to be renovated within 2014.

A customer visiting the OTE and COSMOTE shops enjoys a unique experience, within a cutting-edge designed space. For yet another year, and despite fierce and intensifying competition, the GERMANOS shops managed to maintain their leading position in terms of customer preference and to increase their sale rates with respect to technology products (e.g., tablets). They also contributed significantly to the loyalty, as well as increase of OTE Group companies' customer base through enhanced customer service and the launch of innovative fixed-line and mobile telephony products.

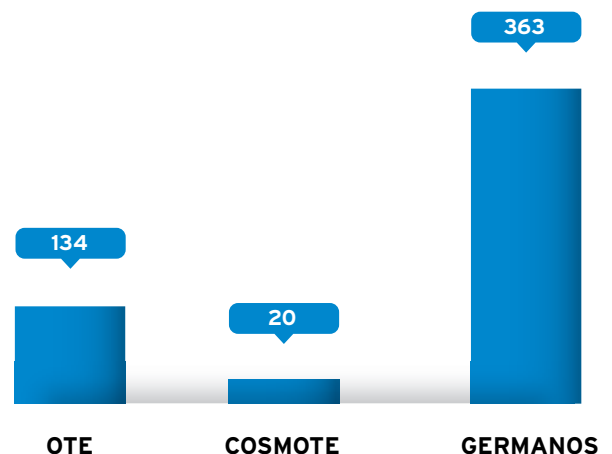
Specifically, the GERMANOS shop network was enhanced through:

- Sale and promotion of new types of products- laptops / tablets / smartphone
- multimedia in-store communication and interaction systems.

The OTE Group shop network comprises of:

- A network of dealers which also includes 33 COSMOTE Corners
- 20 self-owned COSMOTE shops (11 in the greater Attica region and 3 in Thessaloniki)
- 134 OTE shops nationwide
- 363 GERMANOS shops nationwide.

OTE Group retail distribution network 2013 in Greece



An integrated sales and customer service system

OTE's Customer Service operates at five nodes and employs fully trained customer service specialists. It is a multi-media contact center (an integrated Sales and Customer Service channel), strongly aligned with the Group's customer-oriented philosophy, which provides guidance, support, solutions and overall, management of customer issues and requests.

With over 11,000,000 contacts on an annual basis, OTE's Customer Service contributes significantly to:

- Enhancement of customer experience and customer loyalty
- Full support of the company's commercial strategic objectives
- Boost the company's reputation
- Meet specific strategic business objectives, according to customer segments.

The specialized units, which provide high quality customer service at OTE, deal with issues pertaining to:

- Fault management and specialized services support, as well as integrated support and services for new technologies and television services (IP TV & SAT TV)
- Billing and late payments
- Sales and customer service, support, solutions and management regarding complex customer issues aiming at the acquisition of new customers, the growth and development of the company's customer base, and customer retention
- The efficient end2end management of all requests and special customer issues, from the time they are submitted to their final processing/resolution, regardless of the manner or medium of submission.

- Business customers: by developing strong relations of trust with business customers, these units reliably handle all issues pertaining to order management, VIP Business Customers and support of the Dealer network.

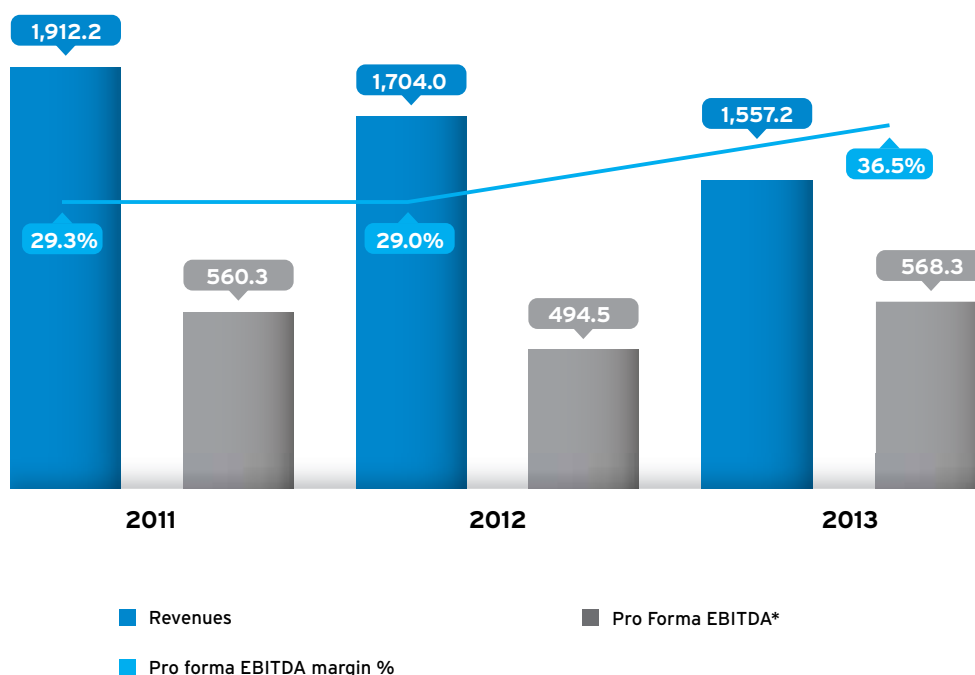
e-channels

In early 2013, OTE redesigned its ote.gr website so as to offer its customers the optimum experience. Easy navigation, online purchases and the electronic management of customers' telephone bills are only some of the many characteristics and advantages of the renewed ote.gr. In particular:

- All of OTE's customers, whether residential customers, professionals or businesses, are now able to carry out online purchases of products and services, while they can also put together their own services package according to their needs
- Through the new My OTE service, customers can manage their connection and bill on their own either from their home or from their office; they can pay their bill online; or they can upgrade or modify their fixed-line services subscription
- The new site is pioneering in that it allows the customer to communicate online with Customer Service representatives through the Online Chat and Call Back services
- The new OTE site includes one additional innovativeservice: OTE Life, the first and "only" Greek blog run by a telecom company which posts the latest news and developments on a wide range of topics.

For 2014, the company is planning to upgrade the e-commerce platform and to transfer all three of the Group's websites (ote.gr, COSMOTE.gr, and e-germanos.gr) to it. The new platform offers improved functionalities on a personalization level (personalized proposals and solutions) through the further upgrade of the my account feature (My OTE, My COSMOTE) towards advanced self-care.

OTE S.A. Financial performance (€ mn)



* Excluding the impact of Voluntary Retirement Programs and Restructuring Plans

OBJECTIVES FOR 2014

With respect to residential customers, in 2014 the company will focus on:

- Further expansion (and market penetration) of the VDSL network Development and offering of services that provide added value to the OTE Double Play programs, such as OTE My WiFi in collaboration with Fon's worldwide network (for free Internet access outside the home) and Cloud services (file and e-mail management in the cloud)
- Launch with COSMOTE, packages which will combine fixed-line and mobile services with an aim to retain OTE Group customers
- Intensifying/Increase of the availability of Triple play services (telephony, broadband, TV)

In order to meet the needs of its business customers in 2014, the company will place emphasis on:

- The development of connectivity services over new access technologies (3G/4G/VDSL) through the launch of SLA (Service Level Agreement), of new packages to cover more market segments, and integrated safety solutions for networks and customer applications services.
- The launch of packages, with COSMOTE, which will combine fixed-line and mobile telephony services so as to retain the OTE Group's customers
- The development of innovative products, services and integrated solutions which combine network and ICT technology
- The enrichment of the OTE Business Cloud with new services.

SERVICES FOR TELECOM OPERATORS IN GREECE (OTE)

Through its "OTE Wholesale" brand services, OTE enjoys a leading position in the wholesale market, offering voice and data services to local telecom operators, who make up a significant part of the company's customer base and constitute a significant revenue stream.

MARKET TRENDS: CHALLENGES AND OPPORTUNITIES

Despite the fact that the total fixed-line access services market experienced a decrease of 2.2% (4.8 million subscribers in 2013, compared to 4.9 million in 2012) and taking into account the adverse macroeconomic environment, the size of the wholesale market continued to grow in 2013. This was a result of the increased demand for broadband services through the OTE Wholesale services, rendering OTE's role in this market especially important.

Besides the large urban areas, considerable activity and market growth took place in regional areas as well. The total coverage by operators surpassed 4.19 million subscribers (almost 87.5%), thus contributing greatly to the faster penetration of broadband services. In 2013, the number of broadband lines exceeded 2.89 million, which translates into a population penetration of over 26%.

OTE is in partnership with 23 operators, of which, 13 are interconnected with OTE's telephone network, while seven of them are active mainly in the LLU services market.

OTE offers operators the following services:

- Access and broadband
- Data transfer
- Voice and network interconnection
- Value added services

2013 AT A GLANCE

The services OTE provides to operators are, to a large extent, the product of regulatory obligations which stem from national and European legislature.

Thus, in 2013, OTE was successful, for yet another year, in fully adapting and complying with its existing regulatory obligations, while at the same time it enhanced its sales and customer service systems and procedures. Most of all, it expanded its wholesale services portfolio and upgraded the quality of these services by proceeding to:

- Provide wholesale VDSL services as part of the development of OTE's new NGA network, according to OTE's regulatory obligations
- Expand and upgrade its data transfer services, offered through the Ethernet network on a local and national level. The points of presence of the Ethernet Service in 2013 covered approximately 1,120 urban areas throughout Greece, with the option of their interconnection

- Make use of a versatile commercial and tariff policy for network and data transfer services, through which the company achieved an increase in sales of its increased capacity 2.5 Gb and 10 Gb circuits and a more effective promotion of its wholesale services through Ethernet technology
- Provide all fixed-line and mobile network subscribers with access to OTE's premium services (90xx), and to other short codes as part of its Network Interconnection Services
- Renew and modify the Interconnectivity Agreements in order to ensure the efficient and smooth operation of bilateral agreements
- Form partnerships with mobile telephony companies which concern OTE's shares of premium services
- Develop, within OTE, the Access to the Single Telephone Directory service and retain its customer base while at the same time optimizing its operation and expanding its functionalities
- Expand and upgrade the W-CRM electronic filing of requests for LLU, Wholesale ADSL, Number Portability and Carrier Pre-selection Services, as well as the operation of upgraded W-CRM systems for Interconnectivity Services (W-CRM WIL), Wholesale Leased Lines (W-CRM WLL) and Wholesale Line Rental (WLR).

CUSTOMER EXPERIENCE

> Upgrade of OTE's Wholesale services

Continued demand for LLU services

In 2013, the great demand for LLU services continued as a result of the demand for communication and entertainment bundled packages.

OTE provided 113,000 new LLU lines, a decrease of 13% compared to 2012. By the end of 2013, the number of active LLU lines stood at 1,907,303. For every month of 2013, an average of 9,395 new LLU lines were added.

The demand for Collocation services remained almost at the same levels with 2012. By late 2013, the number of OTE's local exchanges providing Physical Collocation stood at 173 (85 in Attica, 15 in Thessaloniki and 73 in regional Greece), while the number of OTE local exchanges with LLU requests in Remote Collocation came to 729 in 2013, compared to 715 in late 2012.

Wholesale broadband access: Development of wholesale VDSL

In 2013, OTE made available, to telecom operators, over 1,100 Wholesale VDSL connections, while the number of wholesale ADSL connections of the ARYS service remained at almost 25,000. This number has declined significantly over the past years due to:

- The commercial policies of alternative operators, who encourage their subscribers to turn to LLU services, taking advantage of the development of self-owned network infrastructures, and
- The adverse economic conditions that have led to the absorption by or exit from the market of companies that were active mainly in (providing) wholesale broadband connections.

Wholesale Line Rental - WLR

Through the Wholesale Line Rental (WLR), telecom operators can lease the final customer's access line and offer voice services exclusively under their own brand name. This service allows telecom operators to offer their end customers integrated services without any added investment. By the end of 2013, WLR subscribers came to almost 47,100, compared to almost 64,000 by the end of 2012.

Data transfer services, wholesale leased lines and OTE Ethernet

In 2013, Ethernet services were placed under regulatory status, within the context of the new Wholesale Line Reference Offer.

Moreover, the number of leased circuits available, decreased further, with the total number standing at about 1,055 Point to Point digital circuits and 507 Terminal-Link Parts (TT) and Terminal Trunk segments (ZT). The share of Point to Point circuits decreased, due to both their elimination, as well as their transformation into Terminal Trunk segments.

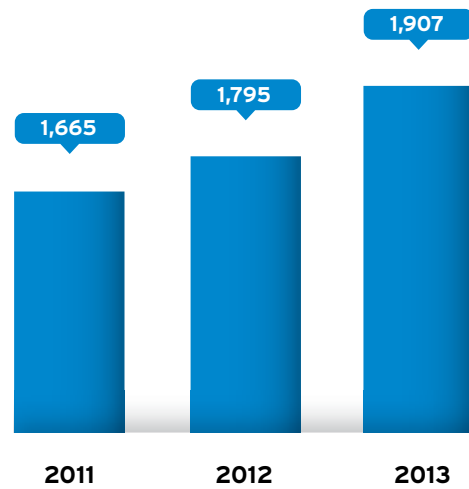
Interconnection Links of 2Mbps stood at about the same levels, close to 4,450 (compared to about 4,500 in 2012). Of these, about 2,840 concerned the H-ZEUS/FS ZEUS Interconnection Semi-Link Service, compared to 2,750 H-ZEUS/FS ZEUS links in 2012. Ethernet technology services showed a small increase in 2013, numbering about 378 circuits compared to about 324 in 2012. At the same time, the company recorded an increase of national capacity services take-up for data transfer to and from countries outside Greece.

Network interconnection and value-added services

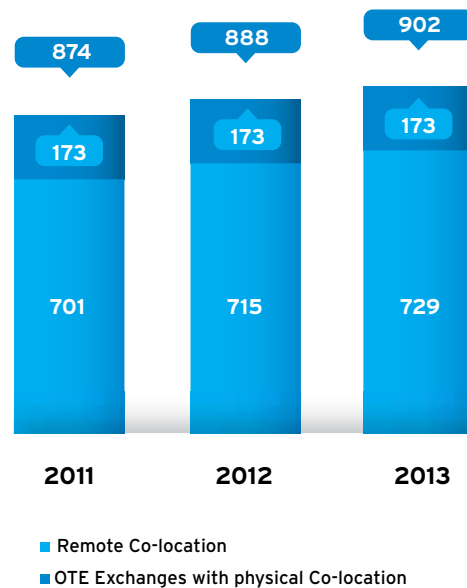
With respect to telephone network interconnection services, the traffic volume of fixed-line operator calls terminating at OTE's network (measured in minutes) decreased by a slight margin compared to 2012, coming to 4.57 billion minutes in 2013. The traffic volume of mobile operators terminating at OTE's network came to 1.1 billion minutes in 2013, remaining at the same levels as 2012. Origination and transit traffic fell sharply to 0.4 billion minutes, compared to 0.8 billion minutes in 2012.

Carrier Pre-selection (CPS) customers stood at about 89,000 (compared to 122,000 in 2012), while the geographical numbers with active portability rose to 2,281,000, compared to 2,092,000 in 2012.

LLU market evolution (000)



Total Co-Location



➤ OTE Wholesale customer services

As part of the company's strategy to provide best-in-class services to telecom operators in 2013 OTE monitored the telecom operators market in order to document the trends and register customers' evolving needs. The company then proceeded to:

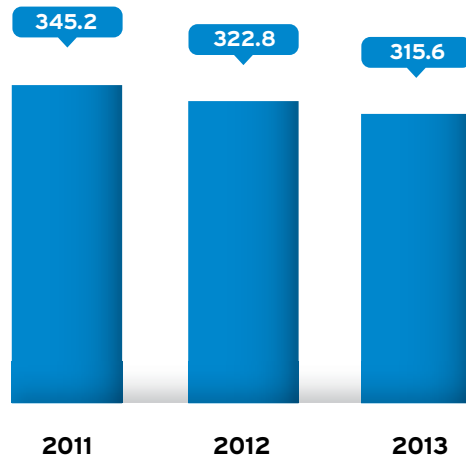
- Expand its W-CRM (Wholesale CRM) for the submission and monitoring of VDSL Wholesale services requests
- **Improve its customer service for telecom operators through:**
 - **The constant enrichment of the W-CRM systems with new functionalities**
 - The automation of control procedures
 - The generation of statistics and reports
 - The immediate response to and management of all requests
 - Monitoring and filling requests at the Local Loop (LLU), at the Collocation services, at the Wholesale DSL connections, at the Number Portability, at the Wholesale Leased Lines (WLR), at the Carrier Pre-Selection and at the Interconnection and WLR Services.

Services	Requests in 2013
LLU	1,047,000
Number Portability	376,000
Carrier Pre-Selection (CPS)	6,800
Wholesale Line Retail (WLR)	24,160
ARYS Wholesale Broadband Access	11,380

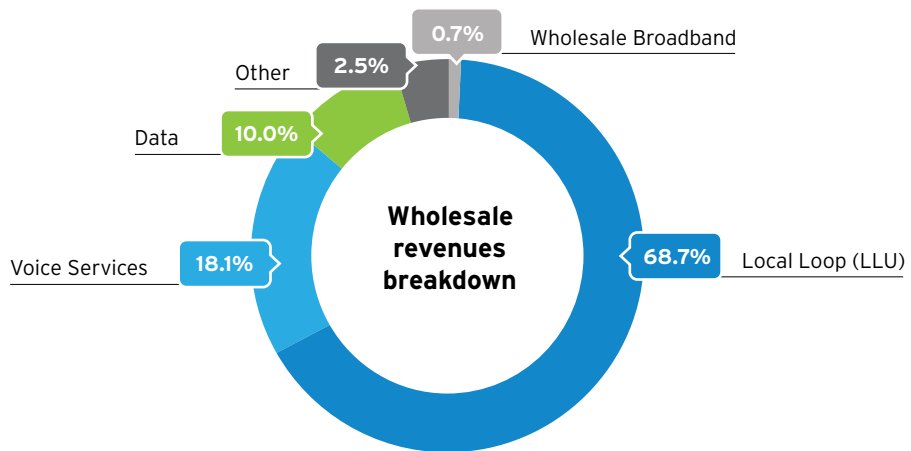
OBJECTIVES FOR 2014

In 2014, the company will focus on providing best-in-class competitive services which will meet the contemporary needs of fixed-line and mobile telephony operators in the environment of converged markets. The customer's overall experience before and after the sale will remain the company's priority.

Wholesale revenues evolution (€ mn)



* Each year depicts the total revenues from Interconnection/Roaming/Directory Services, Wholesale leased lines, Wholesale broadband and LLU/Physical Co-location



INTERNATIONAL TELEPHONY, INTERNET AND DATA SERVICES (OTEGLOBE)

BRIEF DESCRIPTION

OTEGLOBE is an international provider of international wholesale telecommunication services, and Internet and data transmission services. The company operates in the following sectors:

- Development, design, planning, implementation and management of international telephony data and capacity networks
- Commercial exploitation of all international services to telephony operators
- Provision of integrated and fully manageable services (international IP VPN) to large corporate/business clients through partnerships.

> Infrastructure

OTEGLOBE's services are offered through its four privately-owned networks: a) the Transbalkan Network (TBN), which connects Greece to Western Europe through the Balkans; b) the GWEN network, which provides interconnection to Western Europe through Italy; c) the international IP/MPLS network, which is based on the aforementioned core networks for providing Internet and VPN services; and d) the international telephony network, which was recently upgraded with Softswitch technology and new functionalities, and has expanded geographically.

OTEGLOBE also participates in international submarine cable systems (e.g., SMW-3) consortia, and maintains more than 150 bilateral interconnections in the field of international telephony.

> Development prospects

Leveraging on OTE Group's footprint in SE Europe, OTEGLOBE is considered the most reliable provider of international wholesale services in this market.

Having built a strong brand name along with a high quality network infrastructure, OTEGLOBE has been strengthening its presence in the telecom markets of North Africa and the Middle East, either through strategic collaborations with major telecom providers in these regions, or through the development of new infrastructures.

MARKET TRENDS: CHALLENGES AND OPPORTUNITIES

A large volume of broadband and international inbound/outbound voice traffic in the region of SE Europe is carried through OTEGLOBE's networks.

The company aims at maximizing the use of its existing infrastructure and thus to attract a share of the continuously increasing traffic towards international Internet centres. During the period 2009-2013, the international Internet capacity increase rate in the Middle East, Eastern Europe and North Africa ranged between 50%-70%.

Moreover, in respect to international telephony services, the new NGN functionalities with which the telephony network has already been upgraded, as well as the targeted promotion of hobbling services resulted in the increase of OTEGLOBE's commercial activity

and its expansion into new developing markets, such as Africa and Latin America.

2013 AT A GLANCE

The year 2013 was a successful one for OTEGLOBE since, despite the unstable macroeconomic environment and the continuing fall in prices in the Greek market and the greater SE Europe as a result of the intense competition, the company posted a steady financial growth.

The most important events in 2013 were the following:

- Participation in a joint venture for the construction of the Asia Africa Europe - 1 (AAE-1) international submarine next generation cable system; 25,000 km in length, with a capacity of 40 Tbps, which will extend from Hong Kong and Singapore to Europe (in Greece the cable will end at the cable station in Chania, Crete), and will be ready to be commercially exploited in 2016
- Promotion of versatile commercial packages in International Telephony and taking further advantage of the NGN infrastructure in Hubbing services. Acknowledging its customers' diverse needs in the extremely competitive environment of international telephony, OTEGLOBE offered new commercial packages based on new IP technologies, which contributed to the modernization of the international telephony network
- Enhancing OTEGLOBE's commercial presence in markets of interest, such as the Middle East and North Africa through targeted partnerships with selected operators for the further enhancement of data and voice services take up.
- Upgrade of the capacity and functionality of the existing self-owned telecom infrastructure and, within this framework, upgrade of the NGN infrastructure for international telephony, the TBN/ GWEN core networks, etc.

> Financial performance

Despite the extremely adverse economic conditions, OTEGLOBE continued to grow in 2013. The company posted a 6% revenues increase compared to 2012 (which stood at €282.15 mn), while it also managed to maintain a high EBITDA (8.2% in 2013, compared to 9.5% in 2012) for the wholesale market in which it is active, thanks to strict cost controls.

In 2014, through its participation in the construction of the Asia Africa Europe-1 (AAE-1) international submarine next generation cable system, the company re-establishes itself in , new developing markets, such as the Middle East, North Africa and SE Asia), broadening its area of activity, especially in markets with large profit margins.

FIXED-LINE SERVICES IN ROMANIA (ROMTELECOM)

MARKET TRENDS: CHALLENGES AND OPPORTUNITIES

Romtelecom is currently the only fixed-line operator in the Romanian telecoms market that can provide a convergent-like product (hybrid), which is still the most technologically advanced product currently in the market. Romtelecom's sales channel development strategy is also geared towards convergence.

Romtelecom is positioning itself as a technology and media provider which is breaking away from the fixed line provider business model. The very competitive telecom market in Romania renders this strategic shift very difficult, as the market is already dominated by other fixed-line broadband and TV providers. Nevertheless, the transition is on track, with the utmost attention being paid to relevant product features and key customer segments.

Romtelecom is also focused on the further development of its ICT services. The company is currently a market leader in the area of advanced business services (VPN and premium data) and is aimed at enhancing its expertise and know-how in large-scale projects which will generate sustainable profitability. Romtelecom's ICT projects and services provide a growing stream of revenues and also constitute a key competitive advantage for attracting further B2B business. The tendency is for the majority of these services to be IP-based.

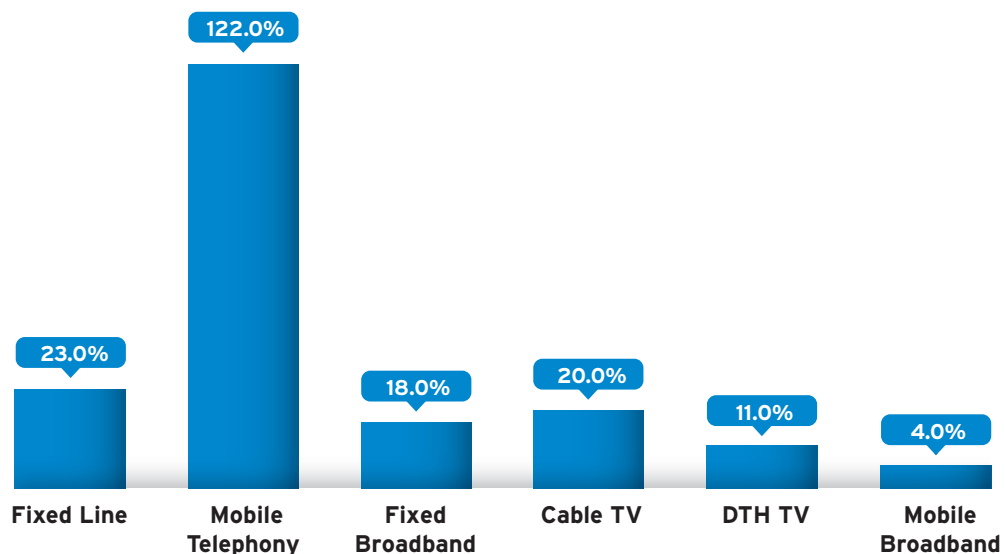
2013 AT A GLANCE

As of April 1st 2013, Mr. Nikolai Beckers was appointed CEO of Romtelecom and CEO of COSMOTE with the mandate to create the No. 1 complete telecom and entertainment provider in the Romanian market, with a sustainable position in all segments and geographies, capturing fixed-mobile synergies across the value chain, to deliver best-of-class customer experience, with a highly efficient operating model.

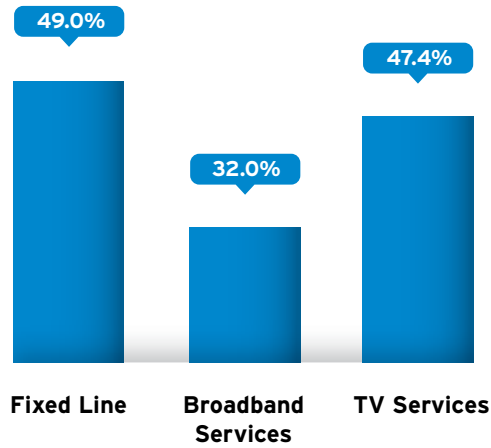
Starting on August 1st 2013, five new management positions were created to jointly coordinate Romtelecom and COSMOTE activities, in order to streamline business processes, increase operational efficiency and maximize market impact. By October 1st, the entire Executive Team had assumed joint responsibilities, continuing the integration process.

In 2013, the company launched the operational integration of Romtelecom and COSMOTE Romania activities, and identified synergies that would benefit both entities. Advisors were appointed for the assessment of benefits and the preparation of the legal merger. During 2013, the cumulative effect of several voluntary exit programs led to a total number of 6,796 employees, 622 less than in 2012.

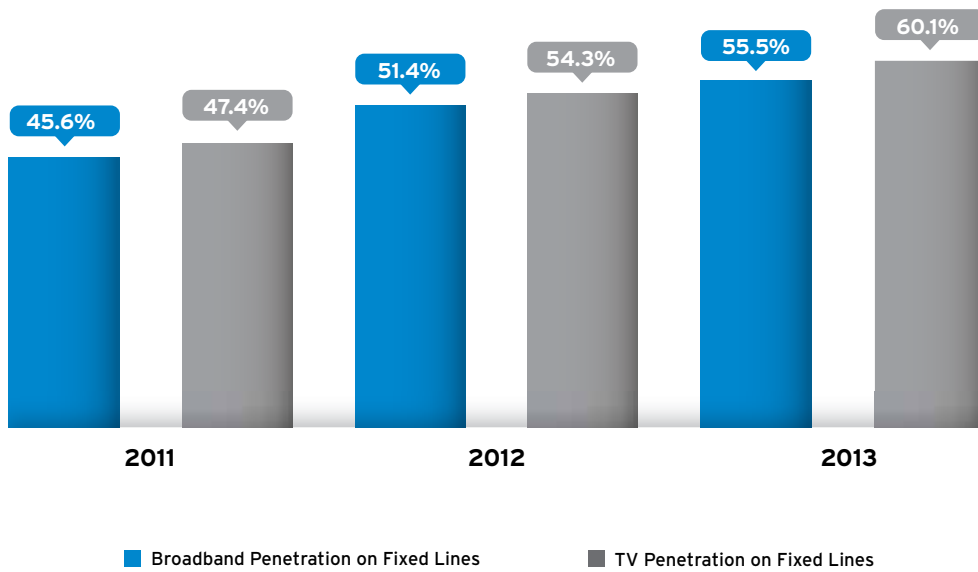
Population penetration in Romania



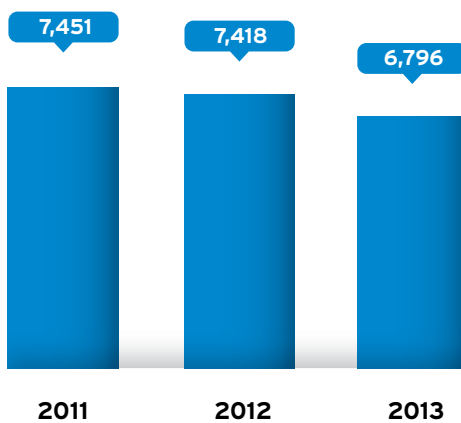
Romtelecom market shares



Broadband & TV penetration of Romtelecom's Fixed Lines



Romtelecom employees evolution



► Regulatory developments in 2013-2014

Reduction of fixed and mobile call termination rates

During 2014, fixed and mobile termination rates will be revised by the regulator based on bottom-up costing models. The proposed new tariffs represent a steep reduction from current levels: 0.96 Eurocents/min for mobile termination rates (from 3.07 Eurocents/min) and 0.14 Eurocents/min for fixed termination rates (from an average level of 0.67 Eurocents/min). It is expected that the reduction of termination tariffs will lead in the short term to the further reduction of retail tariffs (mostly off-net calls to mobile networks), with a negative impact on the margins of voice services.

Review of access regulation: mandatory duct and fiber access obligations may become a challenge

In the second half of 2014, the regulator has planned a review of the market for access to physical infrastructure elements (copper and fiber access loops). Under this review, ANCOM will reassess the opportunity to impose ex-ante obligations regarding the access to ducts and the unbundling of fiber loops. In case such remedies are imposed on Romtelecom, the main challenges will be related to the operational aspects of implementing the required products and ensuring their technical availability.

Launch of the first MVNO operators in the Romanian market

In 2014, the first MVNOs (mobile virtual network operators) are expected to enter the market. In light of the characteristics and structure of the existing retail market (very low retail prices, three strong operators and two aggressive challengers), a large scale development of MVNOs is not foreseen in the immediate future, but rather the establishment of niche players targeting narrow market segments (including existing cable operators trying to secure their customer base)

CUSTOMER EXPERIENCE

► Upgrade of services / New services

In 2013, Romtelecom's commercial strategic objectives included:

- The enhancement of its TV offer
- The further development of its broadband services business
- Addressing the take-up of voice services, especially in urban areas

Retail customers

Romtelecom enjoys the largest market share in fixed-line voice services. Several actions were implemented in 2013 to sustain a higher voice services ARPU, such as the focus on Bundle portfolio (TV & Broadband & Voice) - plus the unlimited fixed national and COSMOTE minutes offered for free for all voice subscriptions - without any contractual obligations.

In 2013, Romtelecom achieved an increase of 4,5 % in broadband lines. Several actions were taken during the year to increase high speed broadband's (FTTx) footprint and sales in urban areas, as well as to enhance customer experience by migrating the existing customer base to improved services.

One of the key success factors of Romtelecom's offerings in fixed-line were the high quality devices which supported fixed wireless services (DECT terminals), such as the WiFi enabled modem for fixed broadband and tablets for high-end customers

FMC

Romtelecom currently offers a fixed-mobile hybrid product, based on prepaid principles. This is the most complete product in the market in terms of capabilities. From a sales channel perspective, Romtelecom's products and services enjoy wide exposure to prospective customers.

In terms of customer satisfaction, according to the TRIM Customer Satisfaction Market Research, Romtelecom customer satisfaction remains unchanged over the last years. Romtelecom is considered a company with expertise and a long standing tradition in the telecommunications industry, which reflects the trust in the company and customer loyalty over time.

Main drivers of satisfaction derive from the offer of new products and services, as well as from Romtelecom's emphasis on customer experience and its reliability as a company.

Business customers

The business customer product portfolio allows for flexibility and the ability to respond to customers' specific needs. Highly trained technical personnel assist customers with the identification of their needs and suggest specific offers and solutions.

Romtelecom's business customers enjoy the following:

- MPLS network with national coverage as well as Metropolitan networks that allow for high speed access and guaranteed parameters
- Certified and highly skilled customer service personnel that ensure good account management
- Proactive technical monitoring of the network and an interactive portal
- Prioritization inside Romtelecom's network for premium products (MetroNET and VPN) to ensure guaranteed parameters
- Service Level Agreement.

The Data & Internet portfolio is a key revenue driver in the B2B customer segment. It includes NET Business (Internet over xDSL, FTTx), MetroNET (premium internet access over FO) and Data VPN services.

NET Business

The NET Business offering provides B2B customers with broadband connectivity over xDSL or FTTx and a wide range of product features included in the basic package, such as: e-mail hosting, web hosting, Service Level Agreement, Cloud Backup, antivirus licenses and free Wi-Fi modem. NET Business was enriched over the last two years with various unique features to set it apart from competition: Cloud backup, Site Builder, SLA.

MetroNET

The MetroNET services offering provides high speed, symmetrical Internet Access and Metropolitan access up to 1Gbps. MetroNET is focused on quality and delivers a highly customizable solution for business customers. It includes features such as: e-mail / Web

hosting, Cloud Ready (default backup connection), proactive monitoring, advanced IP and routing options, unified communications, Virtual Private Server, Cloud ERP / CRM, E2E management and, last but not least, Service Level Agreement. Cloud Ready is the latest addition to the MetroNET portfolio and a unique and innovative feature in the Romanian market. It provides a default backup connection over a distinct line (xDSL) and Proactive Monitoring for the main Fiber Optic link. In case of failure of the main line, traffic is automatically routed on the backup and an alarm is raised in Romtelecom's NOC (Network Operations Center).

Romtelecom contacts the customer and begins troubleshooting / restores the workflow to the main link. When the main link is restored, traffic is automatically routed on it. This service fits customers who host their applications in the cloud, as they will never cease to have access to important information, necessary for their day-to-day activity.

MetroNET's quality is certified by Cisco via the Master Managed Services certification.

VPN

Romtelecom has an advanced Data VPN portfolio. The VPN portfolio has a complete set of features and is flexible enough to provide exactly what customers need. The VPN services combine the speed of Fiber Optic infrastructure with the high level security provided by MPLS technology. All this is provided over the nationwide MPLS Network built on Cisco technology and considered the largest in SE Europe.

VPN product features include: symmetrical guaranteed speed up to 1Gbps (and more), flexible topologies, CoS (Class of Service), E2E management, back-up, VPN client for remote access, VPN Defender+ for additional security, Proactive Monitoring, interactive web portal for VPN statistics and more.

Features and characteristics are continuously upgraded based on customer feedback and in line with the latest trends and technological advances.

Like MetroNET, VPN's service quality is also certified by Cisco via the Master Managed Services certification. With respect to Romtelecom's pricing strategy in the business segment, it is updated annually for each product included in the data & Internet portfolio to align it with market trends and customer demands. Prices for Premium Data & Internet services (MetroNET, VPN, and Leased Lines) have declined around 10-15% per year.

Romtelecom customer loyalty according to the TRIM Customer Satisfaction Market Research has increased. The popularity of Romtelecom's broadband services has contributed greatly to customer loyalty.

ICT projects

The emphasis on the further development of Business Solutions brought about several new contracts/projects for the supply of turnkey ICT solutions involving managed services, desktop virtualization, unified communications, IT security, and other integrated telecom services for banks, the private and the public sector. In addition, Romtelecom is increasingly taking on responsibility for all areas of operating these ICT solutions (consulting, design, and construction).

Romtelecom's reputation as a systems integrator and major IT services supplier was enhanced in 2013 as a result of the take-up of important projects in the banking sector, the public sector and other industries.

Wholesale services

Romtelecom is the first operator in SE Europe that has obtained the CE 2.0 certification from the MEF (The Metro Ethernet Forum) - the most renowned authority worldwide for Ethernet-type services. Following this certification, Romania is now among the first ten countries worldwide which have received this important recognition in the wholesale telecommunications segment.

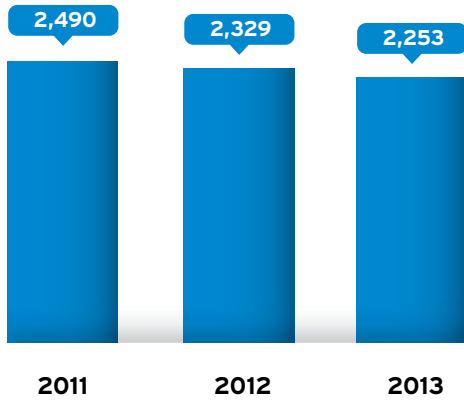
This initiative is a part of the Wholesale division strategy to become the main services provider in SEE. The certification of the L2Connect 2.0 E-Line and L2Connect 2.0 E-Access services strengthens the position of Romtelecom at a regional level as a premium data services provider on the local and regional market, facilitates its entry into new markets, and constitutes the basis for the development of other next generation services.

OBJECTIVES FOR 2014

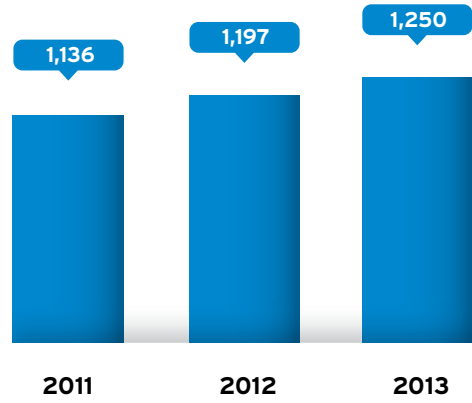
Romtelecom's key strategic objectives for 2014 include:

- The further penetration of its FMC offerings:
 - The introduction of a unique and simple product portfolio
 - FTTB (Fiber to the Building) deployment will help consolidate Romtelecom's position in urban areas and increase its market share, on the basis of strong competitive advantages in relation to the competition (reliable broadband technology and services performance)
- In the Business area, despite its later entry into the data and Internet market (in 2005), Romtelecom has managed to secure and maintain a leading position for all of its products and services. Romtelecom will work towards maintaining its leading position in the broadband, data VPN and Leased Lines market.

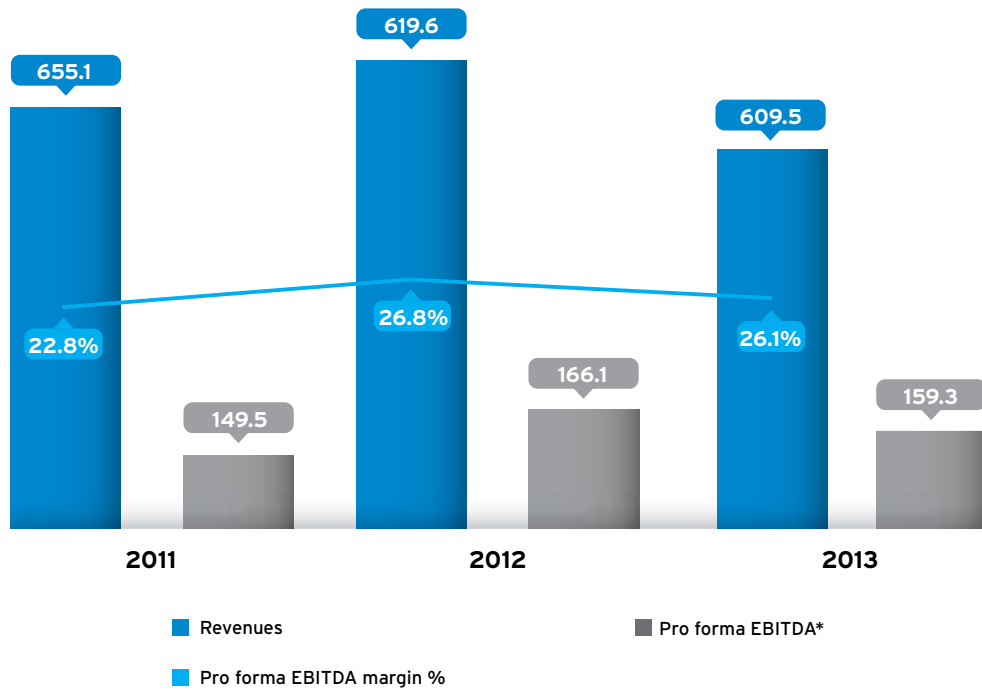
Romtelecom fixed lines (000)



Romtelecom broadband subscribers (000)



Romtelecom - Financial performance (€ mn)



* Excluding the impact of Voluntary Retirement Programs and Restructuring Plans

MARKET TRENDS: CHALLENGES AND OPPORTUNITIES

The Pay-TV market grew significantly in 2013 with household penetration nearing 19% from ~14% at the end of 2012. As part of this trend, through its **OTE TV service and by offering integrated home entertainment at a competitive price, OTE acquired the largest percentage of Net new connections (almost +136,000 subscriptions).**

The Pay-TV services market has grown dramatically in Greece over the past two years, mainly due to the changes that have come about as a result of Greek viewers' needs for high quality entertainment, with more content and channel choices at competitive prices. Moreover, bundled communication and entertainment services solutions continued to attract more and more consumers in 2013, with the OTE TV service, catering to the market demand for integrated Triple Play packages that include voice, Internet and TV services.

The two most dominant technologies in the transmission of pay-TV services in Greece are satellite (DTH) and IPTV (Internet Protocol TV), with the former being more popular and holding the largest share in terms of subscribers.

Through the TV packages it has launched in the market and through the successful communication and promotion of this service, OTE has contributed to the brand recognition of OTE TV, highlighting its content and its operational advantages, and all in all to the overall landscape of the TV market. Mainly because, through the detailed presentation of OTE TV's features, consumers develop a distinct idea of what an integrated entertainment proposal entails.

Through OTE TV, the company offers best-in-class TV content and technology (high definition channels through the DTH service), at an attractive, affordable price for the customer.

CUSTOMER EXPERIENCE

> Upgrade of the OTE TV service

In September, four new packages were offered, combined with the significant content enrichment, which was carried out in 2013 (exclusive airing of Barclays Premier League, a great enrichment of the service's film content, the addition of the Disney Junior and Disney XD children's channels), as well as the overall enhancement of the HD content, with an aim to offer more choices to its subscribers.

In 2013, the company reinforced its OTE TV service with the following options:

- Personal Video Recorder (PVR) for the OTE TV satellite service: Through the new hard disk drive Set Top Box which was launched in October 2013, subscribers can record and store their favourite programs, while at the same time gaining access to interactive services, such as rewinding on a live program, freeze framing (Pause Live TV) and resuming live TV (Time Shift)

- Ordering and subscribing to OTE TV add-on services through SMS

OTE TV packages were also provided to hotel rooms, with channels that cater to the needs of this particular customer group throughout the year, while also adapting to the sector's seasonality.

With respect to content, of the OTE TV offering, OTE:

- Added 1 sports (OTE Sport 5) and 4 thematic channels (Disney XD, Disney Junior, Motorvision HD, Body in Balance), while OTE Sport 3 became HD
- Added to the OTE Sport channels the exclusive broadcasting of the Premier League games, the top competition of the English football championship, with which OTE signed an exclusive agreement for 3 years
- Signed exclusive agreements with the major Hollywood studios of 20th Century Fox and Universal for the broadcasting of all their productions on the OTE Cinema channels, as well as with Sony Pictures, Walt Disney and Miramax for a package of films which will also be broadcasted exclusively
- Participated as co-producer in feature films which met with both critical and box-office success
- Broadcast the exclusive premieres of Greek series, as well as acclaimed international series, such as the BBC's "Sherlock" and ITV's "Downton Abbey"
- Broadcasted exclusively in high definition the Eurobasket basketball championship with daily programs and newsfeed from the Slovenian venues
- Secured an agreement for the exclusive broadcasting of the ATP 1000 tennis tournaments for the next 3 years
- Secured an agreement to broadcast the 2014 Winter Olympic Games held in Sochi, Russia.

> Introducing OTE TV to the public

Over the past 2 years, the continuous upgrade of the OTE TV service, as well as its consistent and targeted communication to the public, resulted in a significant increase in the product's brand recognition and customer base.

The communication strategy implemented by the company for OTE TV aimed at showcasing OTE TV's new product features (such as its enriched content), at enhancing the experience of the customer/subscriber, and the reinforcement of the customer's familiarization with the service, given that this is a growing market.

In particular, with respect to the communication of OTE TV services to the market, in 2013:

- A new e-Newsletter was created, describing the content and programs of OTE TV's channels.
- A Welcome Kit was put together for the packaging box, to introduce the new subscriber to the OTE TV world.
- 18 competitions were carried out in order to communicate the service's content, and enhance subscriber satisfaction.

In regard to the service's communication, in 2013 the company won the following awards for its successful approach to the public:

- ERMIS AWARDS 2013
 - Category: ERMIS PRODUCTION - TVCs PRODUCTION

Award: Ermis Silver

Title: Brand Campaign "CHANGE OF SCENERY"

– Category: ERMIS PR -EVENTS

Award: Ermis Silver

Title: Presentation of the new "Sherlock" series

➤ OTE TV's integrated product sales/distribution network and customer service

Firmly underpinned by its customer-oriented philosophy and the Group's values, OTE's Customer Service provides, sales and technical support services to OTE TV customers (IPTV & satellite), as well as to high tech users, with a special IVR option when dialing 13888, thus contributing to customer's experience and reinforcing the company's reputation.

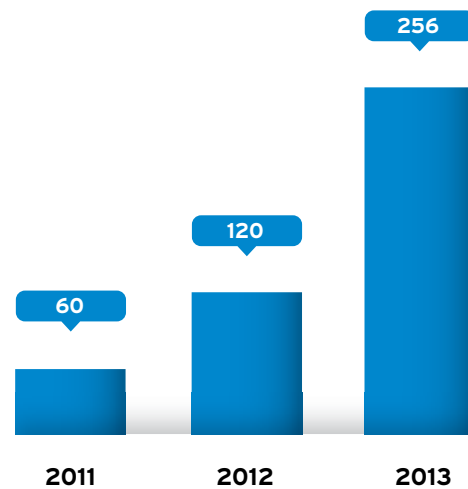
OTE TV's customers enjoy 24-hour customer service by experienced and specialized employees, who provide integrated solutions, and guide, support and solve complex issues, while at the same time ensuring a unique communication experience.

Through alternative means of responding to and managing customer requests, over the phone or in written (multi-channel access), OTE provides upgraded services to ensure best-in-class customer experience and operational excellence.

Besides the sales and customer service call centers, the service is also offered through:

- e-channel ote.gr
- The OTE and GERMANOS shops

OTE TV subscribers (000)



OBJECTIVES FOR 2014

In terms of the OTE TV service, in 2014, OTE will focus on:

- The further enhancement and targeted enrichment of content in all genres/categories
- The development of new services to facilitate multiscreen viewing (access to OTE TV's content from different screens at different locations -TV Everywhere)
- The further communication and promotion of the service and its competitive advantages to customers
- The enhancement of the customer's overall experience at every point of contact with the OTE TV service.

PAY-TV SERVICES IN ROMANIA (ROMTELECOM)

MARKET TRENDS: OPPORTUNITIES AND CHALLENGES

As far as television services are concerned, the Romanian market is low ARPU and content driven. To secure its position in the market, Romtelecom is enhancing the content of its TV offering and developing state-of-the-art and cost effective sales channels. Romtelecom's high-speed broadband capabilities also serve as the backbone for the TV signal/content transport.

In addition, Over the Top Television (via DolceTV.ro) has been launched by Romtelecom since 2011 as part of its strategy to tap into the potential of the online content market, which is gaining momentum at the moment. "TV Everywhere" is being developed by Romtelecom, followed by Orange. Innovative 3D-HDTV services are also making an entrance into the market and several OTT (over the top) services are becoming popular and starting to gain market share as consumption trends are changing in the areas of video (Voyo, HBO GO, tbd RDS) and V/M-oIP (Digi Oriunde, WhatsApp).

2013 AT A GLANCE

Romtelecom offers pay-TV services through satellite, IPTV and cable TV platforms, with more than 120 channels:

- 19 movie channels
- 19 sport channels (including own TV channel, Dolce Sport, which broadcast the main international sports events of 2013, such as the UEFA Europa League & Champions League).

A customer base increase of 7% y-o-y in 2013 was the result of the TV content enrichment, the addition of channels with great public appeal, the successful tariff policy, as well as the promotional campaigns and marketing communication of Romtelecom.

The key commercial developments that took place in 2013 are the following:

- Cable TV and FTTx offerings drove TV and broadband sales in urban areas. ARPU increases were driven by a new content strategy. Also, the improvement in ARPU was a result of the customer base management via the Next Best Offer.

Furthermore, in order to protect its customer base, Romtelecom introduced further voice related benefits, improved the quality of service with special emphasis on its broadband offerings and made TV credit control available.

The key competitive advantages of Romtelecom's TV offering in relation to the competition include:

- Best (HBO & HBO Comedy) and exclusive content (Dolce Sport, Discovery channels - exclusive channels or content TV)
- Best Fixed-Mobile integrated offerings.

> Upgrade of services - New services

Best-of-class TV content

Existing customers enjoy the channels of HBO, Shorts, Comedy Central & Ginx (the only video games channel), Viasat (3 channels) Voyo (OTT platform) included in BB packages - offered for free when buying the high end BB product.

New customers enjoy HBO, HBO Comedy channels and BBC Knowledge - included in triple play packages (TV +BB + Voice).

Technological developments that enhance Romtelecom's broadband and TV services

To improve and consolidate Romtelecom's place in the broadband and TV markets, it was decided in the first part of 2013 to implement the Fiber To The Home (GPon) topology and VDSL in Fiber To The Building topology. The targeted footprint was various large cities. The TV services are being activated over the new installed network, with significant costs reductions.

The selected mix of technologies employed support the following services: Voice (VoIP), Internet (100 Mbps), IPTV, Analogue TV for multiple TV sets (no STB required) and Digital TV(DVB-C STB Required).

Romtelecom is also improving its DolceTV.ro web TV product, as it is perceived this technology has high growth potential in the local market due to its limited operational costs. The service is also enabled for mobile devices and the services are offered by COSMOTE Romania.

An additional satellite transponder was purchased and put into use in 2013 to increase the number of HD channels for satellite customers. Another half of a satellite transponder was purchased in order to improve the overall quality of service (as an extension of the overall bandwidth allocated to SD channels).

The scope of this project is to add HD channels to the DTH channel line-up and improve quality of service by using additional satellite capacity.

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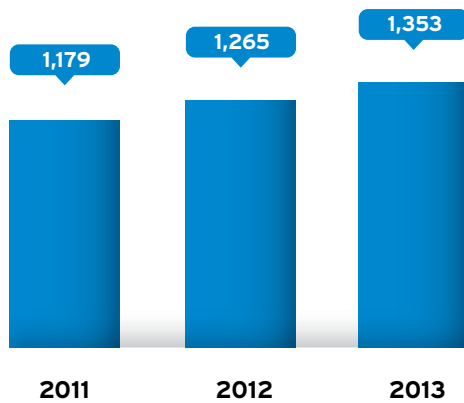
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STRATEGIC OBJECTIVES FOR 2014

Romtelecom's key strategic objectives for 2014 include:

- The further penetration of its TV offering in urban areas
- Romtelecom will be competing in the "Over the Top market" with DolceTV.ro (with its own OTT platform) and other partnerships, via the extension of linear dolce (36 Optimum channel line) and exclusive partnerships
- TV packaging will ensure strong differentiating points with the competition, via best-of class content
- The launch of DVBC, a relevant TV proposition
- CATV (Cable TV) deployment will help consolidate Romtelecom's position in urban areas and increase its market share, on the basis of strong competitive advantages in relation to the competition (reliable broadband technology and services performance, best content provider).

Romtelecom TV subscribers (000)



MOBILE TELEPHONY SERVICES

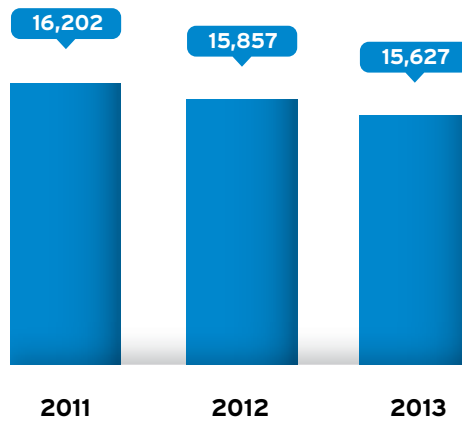
MOBILE TELEPHONY SERVICES IN SE EUROPE

Through its subsidiary COSMOTE, the OTE Group is currently one of the leading providers of mobile communications services in SE Europe. Besides Greece, the Group operates, through its subsidiaries, in the Albanian market with AMC and in the Romanian market with COSMOTE Romania.

developed the most extensive mobile telephony broadband services network in Greece. Driven to provide the most advanced technology and best-in-class services, COSMOTE possess a clear competitive advantage in the mobile telephony market.

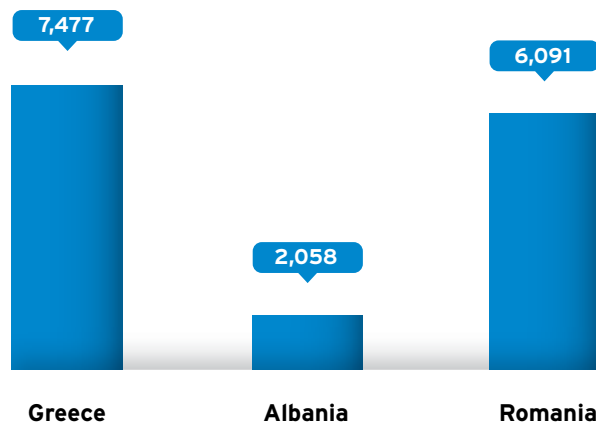
COSMOTE, a leader in technological evolution and especially with respect to 3G and 4G services has

Customer base evolution* (000)



*Continuing operations

Mobile subscribers breakdown (000)



MOBILE TELEPHONY SERVICES IN GREECE (COSMOTE)

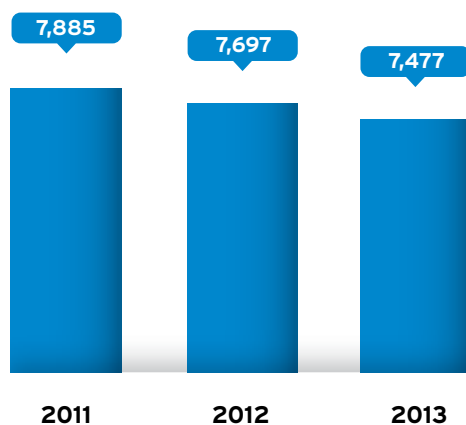
MARKET TRENDS: CHALLENGES AND OPPORTUNITIES

In 2013, new postpaid packages for residential subscribers were launched in the mobile telephony market, offering significantly increased free talk-time to all networks as a result of the reduction in mobile telephony termination fees.

The competition implemented aggressive policies for attracting COSMOTE customers, over telephone sales channels and thus increased its market share.

In prepaid telephony, the cuts in termination fees contributed to the launch of aggressive tariff packages by the competition, with free talk-time to all networks in an effort to acquire a share of the market. Because of the increase in prepaid telephony offers and the macroeconomic environment in recent years, there is a greater tendency for postpaid subscribers to move to prepaid telephony, a trend which was intensified in 2013.

Customer base evolution - Greece (000)



2013 AT A GLANCE

In response to market trends and the competition's aggressive commercial policies, in 2013:

- COSMOTE's postpaid packages adapted to the trend of offering increased free talk-time
- The company continued with its COSMOTE UNLIMITED service, which offered 1500 minutes talk-time and SMSes to COSMOTE networks with fixed fees starting at €20. At the same time, however, it was enriched with the COSMOTE UNLIMITED TO ALL packages, which offered fees starting at €65, 1500 minutes and 1500 SMSes to all networks, as well as free Internet
- COSMOTE TO ALL was also launched, offering free talk-time and SMSes to all networks and free MB with fees from €25 to €50
- In terms of prepaid services, the COSMOKARTA prepaid package offered communication to all networks
- The WHAT'S UP prepaid package offered communication to all

- but also low-priced communication between WHAT'S UP users
- The Cost Control series of packages was further enhanced in order to attract prepaid subscribers and offer COSMOTE customers greater value at a low monthly fee and better control of his/her account.
- In terms of its data service offering, the COSMOTE network and the available data transfer speeds through the 3G and 4G networks are COSMOTE's top competitive advantages.

During 2013, the company continued to develop its 4G network in other large Greek cities besides Athens and Thessaloniki, as well as in popular summer and tourist destinations. The 4G network thus achieved population coverage of over 55%.

The continuously increasing demand on the part of customers for mobile broadband was met through programs which incorporate free Internet or through packages or programs which provide free Internet, with the payment of an additional fee.

At the same time, the rapid penetration of smartphones into COSMOTE's customer base, combined with the increased use via mobile phones and laptops and/or tablets led to a rise in mobile broadband services revenues (an 8% increase in mobile data revenues compared to 2012).

> Regulatory developments

In terms of regulatory developments, the focus in 2013 was on the regulation of COSMOTE fees for international roaming services within the European Union. These fees, following Roaming Regulation I & II, are regulated on a retail and wholesale level by Roaming Regulation III (531/2012). The Regulation sets maximum limits to voice, SMS and data charges and obliges network operators to allow alternative operators to access their network. Following this regulation, roaming fees were reduced in July 2013.

> Financial performance

COSMOTE's consolidated revenues in Greece stood at €1,336.5mn, posting a decrease of 12% compared to 2012, negatively impacted by the significant reductions in mobile termination rates, the adverse economic climate and increased competition. Within this framework, COSMOTE was able to limit its losses at a lower level than the market, by focusing on the quality of the services provided, the reliability of its network and maintaining strong image and brand equity.

Pro forma EBITDA stood at €500.2mn, with the respective margin standing at 37.4%.

CUSTOMER EXPERIENCE

COSMOTE was the top choice for mobile telephony services, again in 2013, as evidenced by the size of its customer base, as well as according to customer satisfaction reports.

➤ **Services' upgrade-new services**

Residential customers

Residential mobile telephony customers are offered postpaid and Cost Control Plan packages, which offer solutions through free talk-time, SMSes, and mobile Internet. All subscribers can access COSMOTE's 4G network, which is provided either free with certain programs or with the purchase of an additional service.

The postpaid programs offered by COSMOTE are the following:

- **COSMOTE UNLIMITED:** these programs cater to subscribers who wish to communicate with the COSMOTE network at a very low monthly fee (beginning at €20), as well as with all other networks, depending on the monthly fee the subscriber selects. In addition, these programs offer free mobile Internet, making them an integrated communication solution.
- **COSMOTE TO ALL:** these programs offer free talk-time and SMSes to all networks, as well as free mobile Internet, targeting subscribers who wish to communicate the same, regardless of the network.
- **COSMOTE COST CONTROL PLAN:** with their main feature being a steady monthly bill, these programs are addressed to prepaid subscribers in order to bring them over to the cost control plans, through which they can acquire greater value and better control of their expenses.

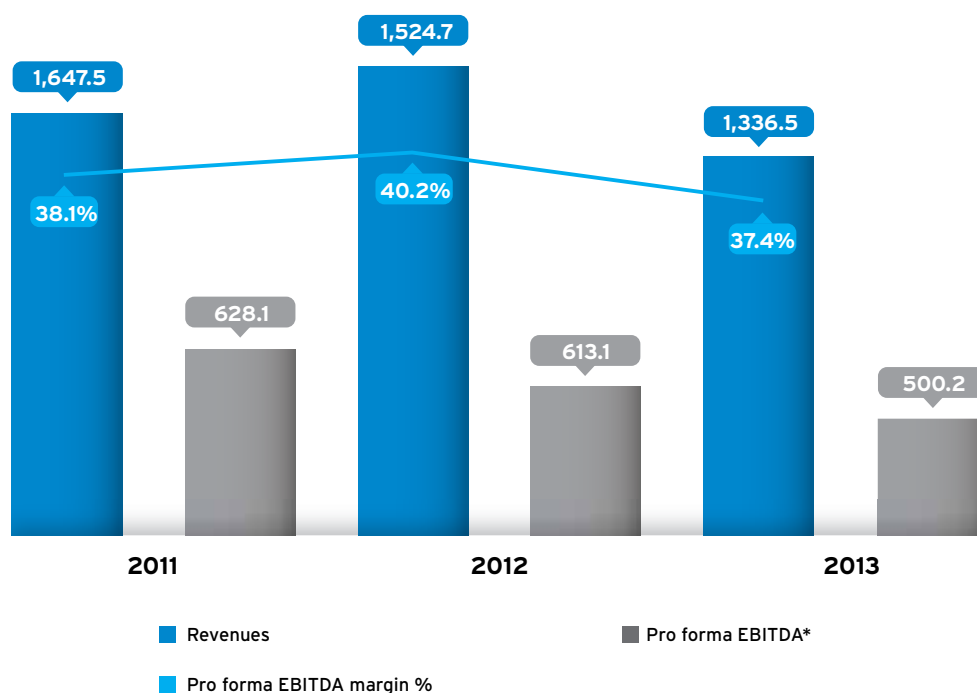
The Postpaid and Cost Control Plan programs offering 1,500 minutes of free talk-time to the COSMOTE network are the most popular choices among existing customers (who change their contract/program), as well as new ones.

Prepaid telephony offers three packages:

- The very popular WHAT'S UP package, which caters to young people aged 18-24 years
- The COSMOKARTA package
- The FROG, which caters to all those who are interested in low cost calls abroad.

The most popular discount package is WHAT'S UP's CALL THEM ALL 600 package, offering 600' to all What's Up users for a month, at a cost of €5. Moreover, given that smartphone penetration is increasing at a fast rate, the WHAT'S UP application is becoming increasingly popular. What's Up users can control their bill and access any service they need through their mobile phone.

Mobile telephony Greece - Financial performance (€ mn)



* Excluding the impact of Voluntary Retirement Programs and Restructuring Plans

Value added services

In November 2013, COSMOTE launched the offering of the Spotify service. Spotify is the most popular Music Streaming service in the world, with over 26 million users worldwide and over 20 million songs. Spotify is the new trend in entertainment and also extends to social media since the user can share his/her music and follow friends and favorite artists.

COSMOTE also operates the largest online bookshop in Greece (COSMOTE Books) with over 1,000,000 books, publications and e-books, as well as toys, games, stationary and kids movies.

In 2013, COSMOTE was the first to offer the unique experience of High Definition Voice (HD Voice) services. COSMOTE customers now exclusively enjoy calls with crystal clear sound, free of background noise, even if the caller is speaking softly. In order to enjoy High Definition calls, both callers must be using, anywhere in Greece, COSMOTE's 3G network and both phones should support HD Voice.

Business customer market

In 2013, the following programs and services were made available to professionals and businesses (B2B):

- "COSMOTE BUSINESS TO ALL" - a new business program series. Thanks to these new programs, professionals & businesses enjoy unlimited intra-company communication, 1,500 minutes to fixed-line phones, more talk-time to all mobile phones, more Megabytes for mobile Internet, 1500 SMSes to all networks and free talk-time to international destinations.
- "COSMOTE BUSINESS UNLIMITED with Internet" - a new business program series. Thanks to these new programs, professionals enjoy intra-company communication, 1,500 minutes to the COSMOTE network and fixed-line phones, more talk-time to other networks and free Megabytes for mobile Internet.
- The "Prompt notice at 80%" service, which became even more popular this year among postpaid business subscribers as a tool with which to control costs. Thanks to the "Prompt notice at 80%" service, professionals are notified automatically and at absolutely no cost, by SMS, each time they reach the 80% mark of the free embedded use of their plan in free talk-time, SMSes or Megabytes. At the same time, they have the chance to acquire, whenever the need arises, additional free talk-time and mobile Internet
- The "COSMOTE Internet On the Go AnyWay" new postpaid programs and the new COSMOTE Internet On the Go Extra SIM cards for corporate postpaid customers, an innovative proposal which allows postpaid voice and mobile Internet subscribers to use up the Mmegabytes at their disposal on any appliance they wish, i.e., mobile phone, laptop or tablet.

Moreover, in 2013, COSMOTE launched:

- The COSMOTE Machine to Machine new discount programs, which fully meet the different needs of businesses regarding data usage through a variety of services especially designed with specific communication features between machines.
- 65,500 Machine to Machine (M2M) connections to the Hellenic Electricity Distribution Network Operator SA (HEDNO). In addition, COSMOTE launched an integrated management application of all the M2M connections. Through this application, the HEDNO will be able to:

- Monitor in real time the status of its M2M connections (stand by, active, inactive)
- Receive relevant alerts, via SMS or e-mail, regarding any change in the operating status
- Receive detailed information regarding the power consumption of each M2M connection through a specialized report
- Be notified in the event that consumption goes over a certain limit.

By the end of 2013, COSMOTE also had 397 active roaming agreements in 179 countries, and was providing data roaming service through 234 networks in 113 countries. Moreover, since July 2013, even greater discounts were offered to those traveling to selected countries abroad, with special offers in the COSMOTE Traveller and Travel & Surf services, which will apply for a specific period of time (up until 2014).

> Services that deliver best-in-class customer experience

- COSMOTE's upgraded mobile application for iPhone and Android offers customers a cutting-edge experience, its main feature being automatic caller ID based on the call number. In this way, there is no need to enter information in order to take advantage of the application's options. Through this application, users can have all the information regarding their connection (program features, remaining talk-time, SMSes and Internet, the amount and due date of the last bill, usage statistics, etc.) in their phone, they can activate services and additional usage packages (4G service, Traveler, additional talk-time packages and MB, etc.), they can pay their bill with a credit/debit card by merely pressing a button, and they can renew their talk-time for any prepaid or cost control plan
- Moreover, acknowledging and rewarding its customers' loyalty throughout the year, COSMOTE offered free communication services to its customer base. Offers such as "Free Mobile Internet to all COSMOTE subscribers" in the summer, free communication on weekends in November, the successful Xmas Offer which gave COSMOTE subscribers the chance to spread joy among their loved ones by sending them communication gifts, absolutely free.
- The COSMOTE DEALS for YOU program enhances the company's relationship with its customers. The year 2013 was an especially successful one for this program, with customer participation posting a 37% increase compared to 2012. Thanks to new collaborations and "2 for the price of 1" exclusive offers for entertainment, eating out, cultural events and short trips, hundreds of thousands of subscribers enjoyed unique experiences, recognizing the added value offered to them by COSMOTE.
- Furthermore, in 2013, wishing to support Greek businesses in an adverse economic environment, COSMOTE completed its "COSMOTE share your success" competition on Facebook. Companies were invited to share their business success stories with the public, which would then vote for the best one. Over 1,000 companies took part, and the three winners won advertising campaigns worth €20,000, which was carried out for each one individually, with great success.

Sales and customer service e-channels

In early 2013, COSMOTE redesigned its COSMOTE.gr webpage, aiming to improve customer experience, by placing emphasis on online sales. At the same time, the website incorporated My COSMOTE, through which users can manage their connection and account, check their remaining talk-time, SMSes and Internet, activate services, pay their bill, renew their connection and, finally, renew their talk-time for any prepaid or cost control plan.

In 2014, COSMOTE is planning to upgrade the e-commerce platform and to transfer the Group's three websites (ote.gr, COSMOTE.gr, e-germanos.gr) to it. The new platform will offer upgraded functionalities with the option to provide customized proposals and solutions through the further upgrade of My Accounts (My OTE, My COSMOTE) towards advanced self-care.

OBJECTIVES FOR 2014

Despite increased competition, COSMOTE's objective is to continue to offer innovative and competitive commercial offers, which aim at the growth and retention of the customer base, the enhancement of customer experience, and retaining the company's leading position in the Greek mobile telephony market.

MOBILE TELEPHONY SERVICES IN ROMANIA (COSMOTE ROMANIA)

MARKET TRENDS: CHALLENGES AND OPPORTUNITIES

Following the trends recorded in 2012, the Romanian telecom market in 2013 was marked by intense competition in voice and data services. Telecom companies launched products with unlimited communication benefits, especially in the postpaid segment.

The market is also expected to be impacted to a large degree by further regulatory pressure (a cut in interconnection fees), the effects of which will become visible in 2014.

2013 AT A GLANCE

In 2013, COSMOTE Romania retained its market position in a difficult, competitive and regulatory environment and is currently Romania's third largest mobile GSM operator. COSMOTE Romania maintained its successful track record, upgrading its network, expanding its products and services portfolio, and delivering a financially sound performance.

At the end of 2013, COSMOTE Romania's market share stood at approximately 23% and its customer base reached approximately 6.1 million subscribers (including Zapp)..

The postpaid ratio represents 26% of the total customer base registered at the end of 2013, which increased by 1.4% in the second quarter of 2013 versus the same period last year

> License renewal

In July 2013, COSMOTE Romania received from the European bank for Reconstruction and Development (EBRD) a €225 million loan which will enable the company to finance the renewal of spectrum licenses and expand its 4G network.

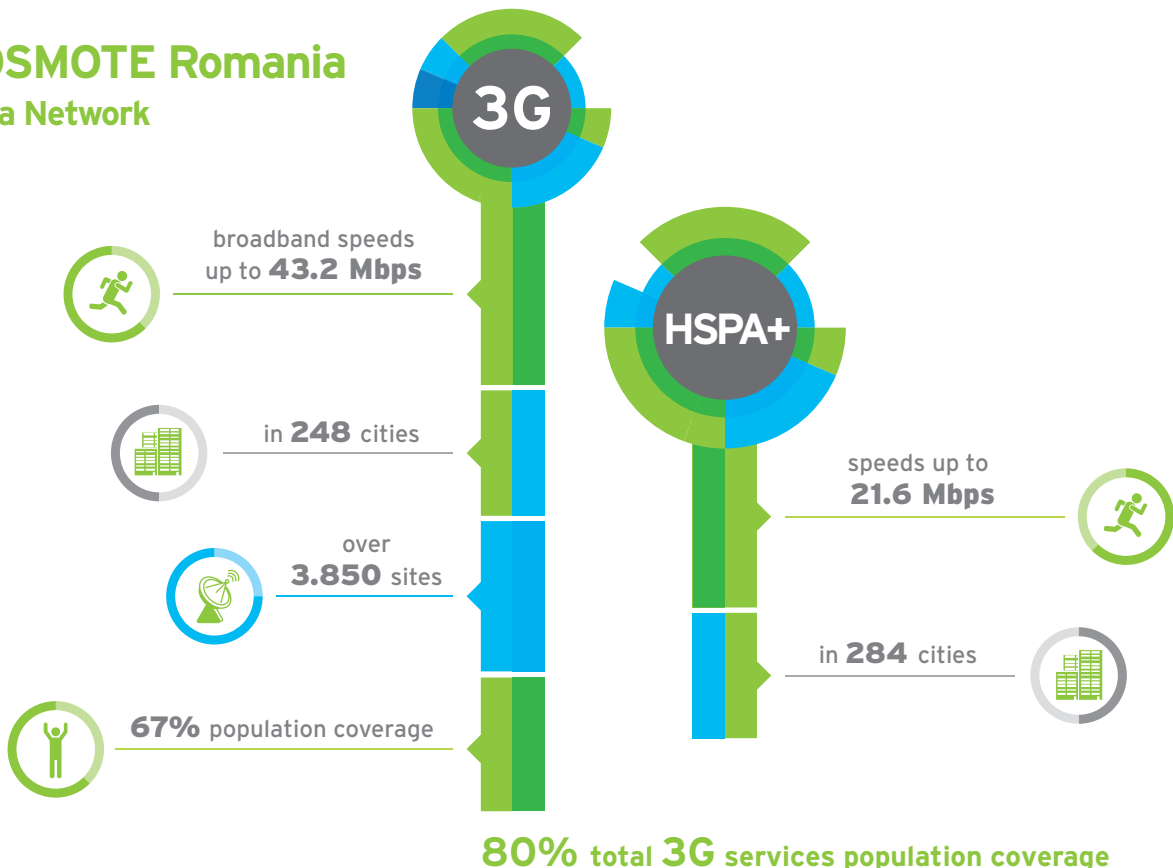
> Gradual development of the data network

At the end of 2013, COSMOTE Romania was offering a state-of-the-art 3G data network with mobile broadband download speeds of up to 43.2 Mbps in 248 cities and over 3,850 sites across Romania, covering almost 67% of the population.

Moreover, COSMOTE Romania customers could enjoy speeds of up to 21.6 Mbps in HSPA+ technology in 284 cities nationwide. Overall, 3G services covered almost 80% of the Romanian population. Also, at the end of 2013, the company was offering 4G services with 90% population coverage of Bucharest, as well as Otopeni, Ploiesti, Cluj, Iasi, Sinaia, and the Busteni and Predeal ski resorts.

At the same time, the 2G network offers 99.5% population and 92% area coverage.

COSMOTE Romania Data Network



► Upgrading of services-new services

Residential customer market

COSMOTE Romania was able to tackle these difficult market conditions by introducing innovative offers that included - besides on-net and off-net voice calls and SMS - video calls, MMS and free minutes to the Romtelecom fixed-line network. Also, the company launched Cartela MTV Mobile powered by COSMOTE for the youth community.

In the residential postpaid segment, the company revolutionized the market by introducing a simpler postpaid portfolio with key feature the unlimited communication through COSMOTE UNLIMITED. Subscribers enjoy unlimited communication nationwide, as well as unlimited on-net and off-net texts and data communication.

In addition, for residential customers, in 2013, COSMOTE Romania continued to capitalize on the fixed-mobile convergence by including Dolce TV on the COSMOTE bill, offering customers a 20% discount on the voice/data monthly access fee and the TV subscription.

Business customer market

COSMOTE Romania's business customer segment continued to grow due to the company's competitive and appealing offers. Thus, in 2013, the business segment grew by 10% on an annual basis. Moreover, the company enhanced its synergies with Romtelecom for providing integrated services for strategic partners, such as BCR and Bancpost.

Regarding data services, COSMOTE continued to develop its 3G and 4G services portfolio. As part of its strategy to promote mobile data services alongside smartphones, COSMOTE also developed mobile applications, such as Taramul Basmelor (The Land of Fairytales), Taxiplot, Clickshop and COSMOTE Recharge. Data take up will continue to grow and COSMOTE Romania will continue to be a smartphone-centric operator, offering specially tailored service packages which provide all necessary data and voice service benefits. Moreover, the company continued to introduce in its portfolio state-of-the-art devices, customizing them in order for them to be compatible with COSMOTE's 4G network.

The company also launched smartphones and tablets under its own brand, making technology affordable to even more customers.

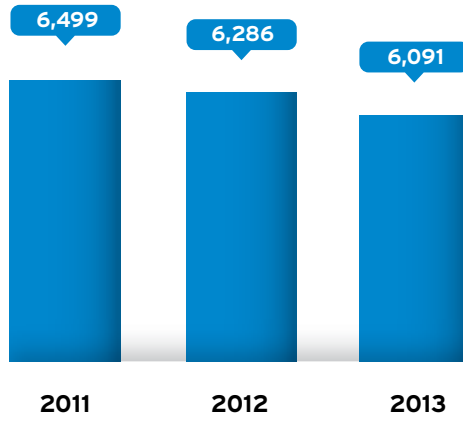
COSMOTE Romania has been consistently optimizing the development of its national retail distribution channel, which included, at the end of 2013, approximately 520 points of sale nationwide.

At the end of 2013, the COSMOTE Romania Group of Companies received two new Management Systems Certifications. COSMOTE Romania received a certification of its Information Security Management System (ISO 27001), while the Germanos Service received a certification of its Quality Management System (ISO 9001).

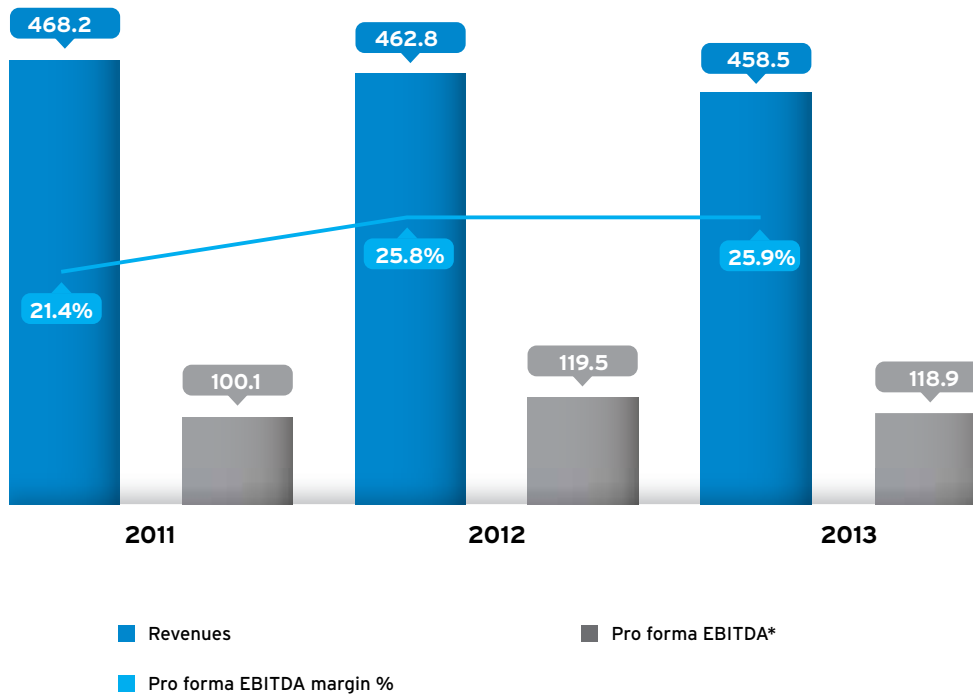
► Financial performance

In 2013, the company's consolidated revenues dropped by approximately 1% compared to 2012, coming to €458.5mn. The Pro Forma EBITDA stood at €118.9mn with the Pro Forma EBITDA margin at 25.9%, slightly up compared to 2012.

Customer base evolution - Romania (000)



Mobile telephony Romania - Financial performance (€ mn)



* Excluding the impact of Voluntary Retirement Programs and Restructuring Plans

MOBILE TELEPHONY SERVICES IN ALBANIA (AMC)

2013 AT A GLANCE

During 2013, despite the continuous regulatory pressure and intense competition, AMC retained its strong position in the mobile telephony market, in which four companies operate, delivering a solid EBITDA performance and a strong cash generation. The commercial momentum which built up over the year, combined with the optimized cost structure and the profitable investment in key areas, significantly increased the company's competitive edge.

> Network upgrade

In 2013, the company began to expand its 3G network coverage and capacity, driven by license obligations for nationwide coverage of over 85% (which was achieved by the end of the first quarter of 2013) and the increased demand for data services in all urban areas. The 3G network's NodeBs came to 280, providing 96.5% population and 85% area coverage.

The layer of the 3G network's HSPA+NodeBs at 21 and 42 Mbps increased, coming to 58%, and the Σ/B interconnection through IP transmission backhauling was applied to 100% of the 3G network.

Combined with the activities to optimize the mobile telephony radio network, this consolidated the company's competitive advantage in terms of Internet speeds and quality of services. Despite the highly utilized radio network, the expansion of radio capacities on 2G kept the main KPIs within targeted levels.

Moreover, within the framework of upgrading its network, in 2013 AMC proceeded to carry out the following actions:

- The development of a new Radio Network Controller (RNC) and the expansion of the Packet Core, in order to support the development of the 3G network
- The modernization of the BSS Network: most legacy BSC2i were removed from the network. Traffic was pushed from the legacy MSCi-s to the new MSS/MGW-s. Within the framework of converting the network to All-IP, IP/MPLS was implemented between the two core sites (Lapraka and Kashari).

> Services' upgrade - New services

In 2013, customer experience was a key priority for AMC. The product, the price, the promotion and the launch of the product were all aligned with the promise: "Our world is you".

Prepaid services

During 2013, prepaid offers were the main focus of all the mobile operators in the market, reinforced by continuous price reductions and increased consumer benefits. Despite the ongoing, intense competition in the prepaid market, AMC managed to increase its market share especially in services with low penetration and to maintain its market share in areas with increased competition.

In May 2013, a new business campaign was launched under the motto "Customer-centricity" and the freedom of the customer to perceive the world individually.

AMC designed and launched service packages which cover all consumer needs such as the Universal Surf, which caters to young people, offering large data volumes with top service quality.

The AMC packages' penetration reached 56% of mobile telephony's active customer base.

Postpaid services

Aiming to retain and increase its residential customers and balance postpaid and prepaid offers, during the second quarter of 2013, AMC launched the AMC Relax programs, with different options and subsidies according to contract tenure.

As one of AMC's highest priorities, B2B was enhanced through specialized, tailored-made solutions in order to meet customers' specific needs.

During the fourth quarter of 2013, AMC launched a new business portfolio, targeting medium to high value customers, as a fast response to aggressive competitor offerings of reduced pricing and increased benefits.

Data services

The company's commercial portfolio was enriched with a variety of data services and products which increased the use, the activity and the revenues in that area. Data traffic more than doubled on an annual basis due to the aggressive offers and data (mainly LESP) product combinations with limited connectivity. The promotion of mobile internet through full connectivity led to an increase in the customer base and an increase in data use. This fact, combined with new products (such as the 3G WIFI Modem) increased the value offered to the customer in the mobile broadband services market.

Moreover, AMC launched a USB Modem 42Mbps with different volumes on the highest speed network. The memory card, for full connectivity in the mobile market, simplified use in different terminals, increasing active users and sales. The launching of the service for us of data through Roaming for prepaid customers with Data Passes enhanced the quality of the service.

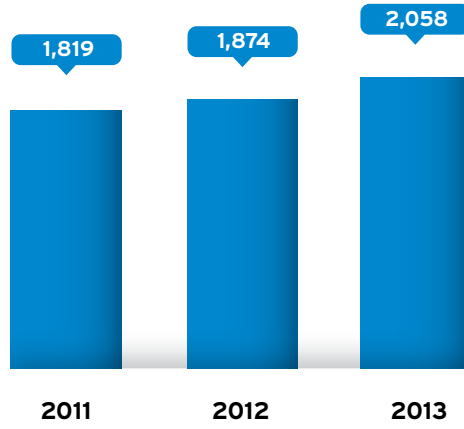
Smartphone penetration increased by 46% on an annual basis, but there is still room for growth through new, segmented and targeted offers.

The company's handset portfolio was also enriched with a large variety of cutting-edge technology mobile phones.

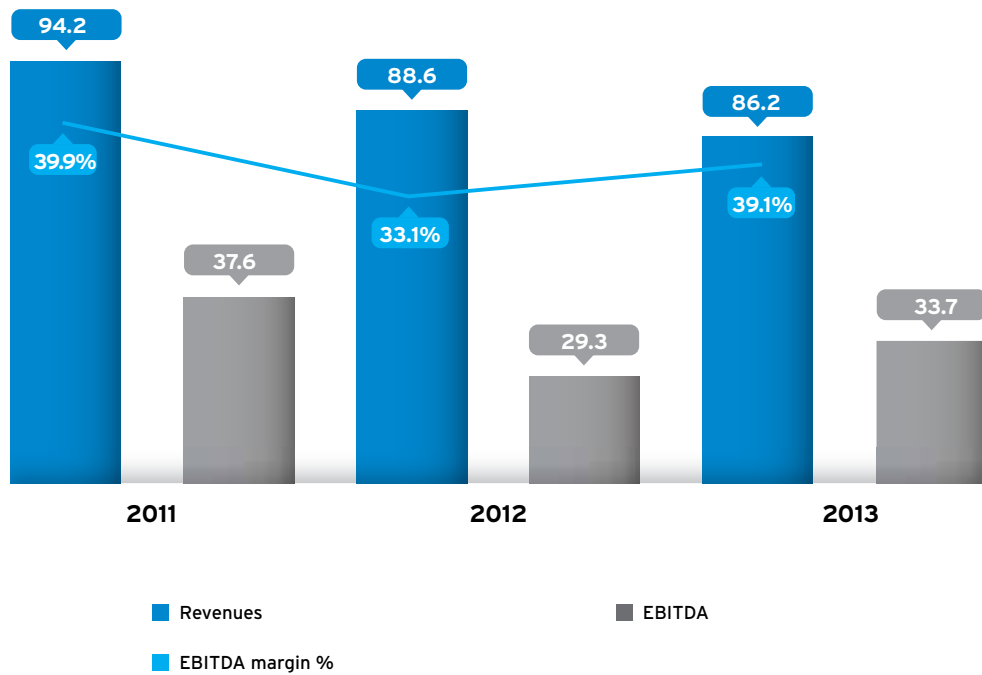
> Financial performance

AMC's revenues stood at €86.2 mn, posting a drop of 2.7% compared to 2012. Pro Forma EBITDA stood at €33.7 mn, posting an increase of 15% compared to 2012. Pro Forma EBITDA margin for the year reached 39%, remaining at relatively high levels despite competitive pressure, national MTR regulation and the adverse economic conditions.

Customer base evolution - Albania (000)



Mobile telephony Albania - Financial performance (€ mn)



OTHER OPERATIONS IN GREECE

REAL ESTATE MANAGEMENT AND DEVELOPMENT SERVICES (OTEESTATE)

BRIEF DESCRIPTION

OTEestate has undertaken the management, development and commercial exploitation of the OTE Group's entire real estate portfolio.

The company's real estate portfolio comprises of 2,298 properties, of which 1,995 are buildings and 303 are plots of land. The majority of the buildings accommodate telecom equipment, technical and administrative personnel services, as well as shops on their ground floors. The total area of the buildings comes to 1.136 mn sq.m, of which approximately 837,000 sq. m are leased by OTE. The largest part of the real estate's total value is concentrated in a small number of plots and buildings, with 300 assets of the greatest value accounting for 82% of the portfolio's total value, which, by the end of 2013, amounted €947 mn

MARKET TRENDS: CHALLENGES AND OPPORTUNITIES

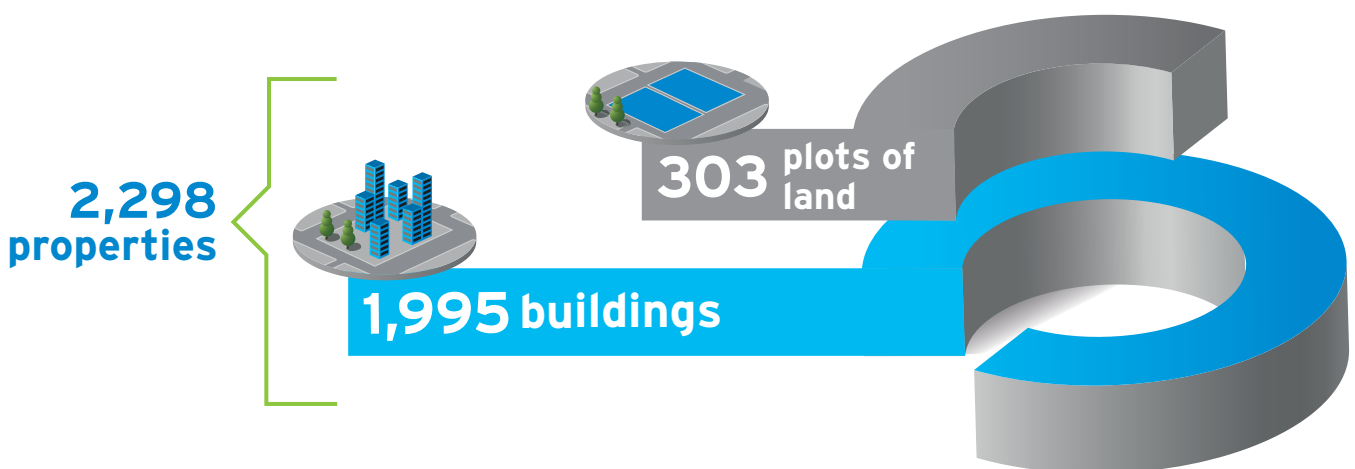
The difficult economic conditions continue to adversely affect the real estate market. The continuing recession, shrinking income, high unemployment and the over taxation of real estate have driven down the demand for real estate to practically zero.

The needs of existing leasers are really driving the real estate market, its main features being the renegotiation for lower rents and the significant reduction in the total area of the spaces requested.

However, it seems that most of these needs have been met and that a stabilization of this trend is expected in the immediate future. The supply of spaces continues to increase and is not aligned with the demand, while the lack of financing of new projects has put a stop to any plans for new development. The limited number of investors interested in real estate is expected to cause a further drop in prices, since many current owners are having trouble servicing their debt. Finally, the existing taxation environment and the delays which have occurred in its rehabilitation act as a deterrent to investors.

In terms of real estate sales in 2013, the main player was the Greek State and buyers were mainly local Real Estate Investment Trusts (REITs), with prices that have carved out a new landscape in the real estate market.

Real estate's portfolio total value amounted to €947mn



2013 AT A GLANCE

> Optimum utilization of real estate

During 2013, 35,676 sq. m were released by OTE with an aim to optimize the use of space and to reduce their operational costs.

Moreover, in accordance with the Group's strategy, the subsidiaries COSMOTE, Voicenet and cosmoOne were moved from properties owned by third parties to self-owned properties of a total area of 1,600 sq. m, thus creating economies of scale within the Group.

Despite the significant deterioration of the real estate market and the ever-decreasing demand, the company signed 19 new leases with third parties for approximately 4,000 sq. m. The percentage of unoccupied spaces in relation to the total number of spaces available for leasing, stood at 20% by the end of the year, when the corresponding market index stood at 21%.

Finally, a real estate sales strategy, in harmony with the Group's corporate strategy, was developed, leading to the successful sale, in

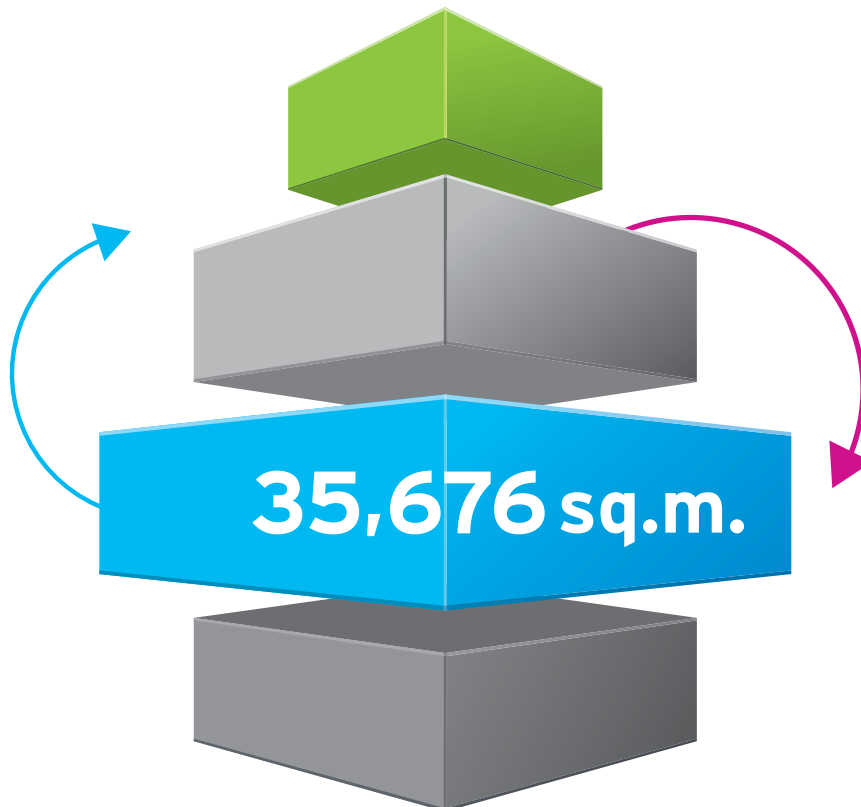
2013, of properties of a total area of 5,500 sq. m and the organization of an international open tender for the sale of four additional commercial properties belonging to the company's portfolio.

> Technical works for the improvement of buildings and other projects

During the year, the company focused primarily on renovating, making self-sufficient and preparing unoccupied spaces for lease, in order to exploit them commercially. In particular, it proceeded with the renovation and upgrade of buildings which are leased by the OTE Group, as well as with the refurbishment of released buildings, which are leased to third parties.

> Financial performance

In 2013, the company's revenues came to €63.3 mn compared to €67.5 mn in 2012. In 2013, EBITDA performance stood at €53.1 mn from €50.3 mn in 2012, posting an increase of 6%, having been significantly helped by reduced expenses and the sale of company real estate.

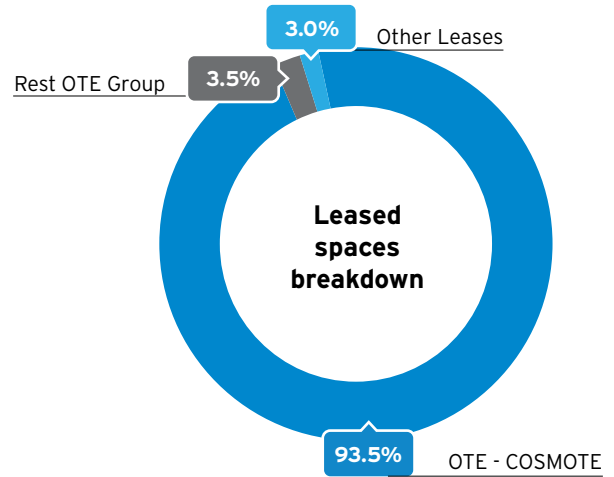


During **2013**
were released from OTE

OBJECTIVES FOR 2014

A reversal in real estate market trends is not in the outlook for 2014, therefore the company's projects will focus on the following:

- Supporting the goals set by OTEestate and aligning them with OTE Group's strategy
- Implementing the strategy of planned sales and seeking out further opportunities for the creation of value for the OTE Group
- Carrying out construction projects on behalf of the OTE Group companies, in line with emerging accommodation needs
- Developing an energy saving strategy for the larger buildings used by the Group, in order to reduce their energy consumption
- Attempting to restrain the increasing number of empty spaces in an ever-worsening market
- Solving the legal and ownership problems related to the company's real estate
- Continuing the upgrade of services provided to the company's internal and external customers.



BRIEF DESCRIPTION

OTEAcademy, a member of the OTE Group, is active in providing cutting-edge educational services which contribute to the development of human resources.

2013 AT A GLANCE

> Seminar and training program organization

In 2013, OTEAcademy:

- Held a series of open seminars on technology, sales and administration
 - Participated as a VTC (Vocational Training Center) in the following programs held by the Manpower Employment Organization (OAED): "Subsidizing of training vouchers towards the certification of unemployed individuals in basic ICT skills" and "Training unemployed individuals in basic ICT skills in the three phasing-out regions". As part of these programs, a total of 136 unemployed individuals were trained and certified.
 - Held a series of targeted workshops titled "From Social Media to Social Business", which addressed different markets through specialized case studies and the optimum practices of each market. Five 2-day workshops were held, during which 125 employees, coming from the consumer goods, automotive, retail sales and telecom industries were trained.
 - Completed a project in Romania which is co-financed by the European Social Fund's Operational Program/Human Resources Development 2007-2013, which is part of the "Improving the Competitiveness of Small and Mid-sized Companies through viable Entrepreneurship" program and offers free online courses for the professional development of company executives in Romania. The project has been undertaken by the Romtelecom, Blue Point IT Solutions and the OTEAcademy consortium. As part of this project, in April 2013, OTEAcademy hosted 15 executives from small and mid-sized Romanian companies with an aim to further train them, as well as for them to exchange experience and know-how with respective executives from the Greek market. The project was completed successfully in 2013, having attracted 6,300 participants - executives from small and mid-sized companies from across Romania.
 - Organized and implemented the following specialized programs:
 - "Shifting for Excellence in Customer Care Coaching" for the OTE Group's mobile telephony operations (13 participants)
 - "Shifting for Excellence in Management Skills" for 3 COSMOTE administrative teams (42 participants)
 - "Shifting for Excellence in B2B" for executives of the Business and Small and Mid-sized Fixed and Mobile Customers Sales Division (12 participants)
 - "Together we are one for the Customer" for executives of OTE's General Directorate of Services for Telecom Operators (138 participants)
 - SAP training for Internal Auditors (16 participants)
 - The "OTE-COSMOTE Personnel Assessment System", which consists of the presentation of the new assessment system to high-ranking organization executives (72 participants)
- "Customer EXperience EXcellence - C2X®", within the framework of the Customer Experience Program for the mobile operations. During Phase I, 2,260 individuals were trained. The "Shifting for Excellence in Compliance" program through the e-Learning methodology which was implemented for all of OTE Group with respect to Compliance. (971 participants).
 - The Situation at The Shop program / Classroom Training (129 participants)
 - The Situation at The Shop program / e-learning (1.331 participants).

Moreover, in cooperation with the OTE Group's HR Department, the company planned and carried out the following programs:

- The ACT2 training program, which involves the training of technicians. ACT2 is the basic training program for the development of know-how, skills and conduct for all technicians. The purpose of the program is to better serve OTE customers. This is the first time a training program for technicians covers the full range of tasks which are carried out in OTE's urban network. OTEAcademy set up six special spaces in Athens and Thessaloniki which allowed participants to receive hands-on training in an operational, "virtual" urban network. (493 participants in 2013)
- The "Work Force Management - Technician Training" workshop. OTEAcademy planned and implemented this educational e-learning program at the Work Force Management Ph2 & Ph3, for the professional development and systematic training (in the new applications of the WFM Click) of all technicians (1,038 participants).

► **Partnerships - Certificates**

In 2013, the company renewed and upgraded important major partnerships and certificates. OTEAcademy is now:

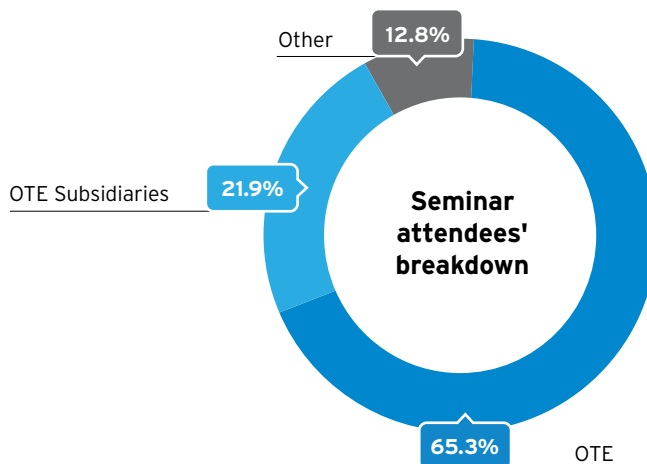
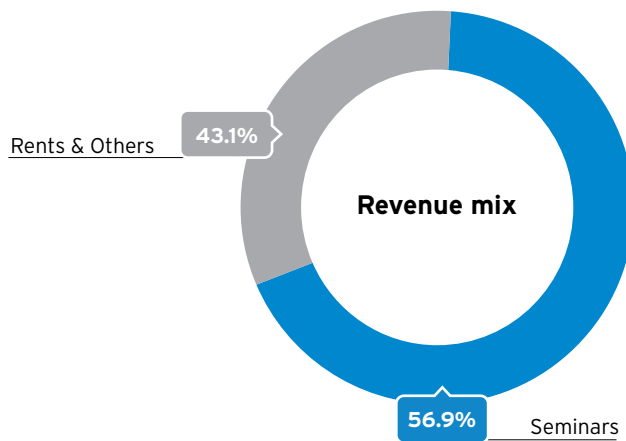
- A certified training partner of the Microsoft - IT Academy
- The only Certified Training Center for AlcatelLucent Enterprise in SE Europe - The only non self-owned Alcatel training center worldwide
- A member of the Project Management Institute (PMI) - Registered Education Provider P.M.I.
- An authorized examination center for two of the largest international certification organizations: Pearson VUE (Virtual Computer Based Testing for ICT) and Prometric
- An authorized ECDL examination center
- An authorized examination center, approved by Certiport, for granting Microsoft Office Specialist and IC3 certificates
- A training partner of Hewlett Packard
- The only certified partner of Oracle in Greece

- A certified training partner of Cisco
- A strategic partner of Ian Farmer Associates for Greece and the Balkans
- A Corporate Member of CXPA (Customer Experience Professional Association).

OTEAcademy also carried out dynamic communication campaigns regarding its training services, aiming to enhance its image and broaden its customer base. These campaigns included publications and other media placements, the co-organization and hosting of major conferences, and the creation of a Facebook and LinkedIn business page.

► **Financial performance**

OTEAcademy's revenues in 2013 stood at €6.7 mn, while EBITDA reached €0.3 mn in 2013 in relation to €0.2 mn in 2012, proving that the company is continuing to perform well despite the adverse economic environment in Greece.



TELECOMMUNICATIONS SERVICES FOR THE GREEK AND GLOBAL SHIPPING INDUSTRY (OTESAT-MARITEL)

BRIEF DESCRIPTION

OTESat-Maritel, a member of OTE Group, is a leader in providing satellite communication services to the Greek maritime industry and one of the main operators worldwide.

The company is fully harmonized with OTE Group's strategy of providing integrated ICT solutions which meet the contemporary communication needs of businesses, individuals and government agencies in terms of wireless and especially satellite communications, as well as customized subscription services and IT applications catering to the continuously increasing demands of international shipping.

Depending on the market it is catering to (oceangoing shipping, coastal navigation and cruise ships, fishing, small vessels and recreational vessels) and the needs that arise, OTEsat-Maritel provides Inmarsat, Iridium and VSAT services, as well as integrated telecom solutions by combining fixed, mobile and satellite networks and IT applications. In particular, it offers voice (Voice, VoIP) and data exchange (e-mail) services; services based on IP technology (Internet services) and Satellite or IPTV.

Driven by the needs of its customers for cutting-edge, reliable telecommunication services, OTEsat-Maritel designs and develops a wide range of related Value Added Services for shipping companies and the crews of their ships.

Besides its telecom services, the company also offers the following:

- Ship's bridge equipment inspection services
- Terminal equipment for the Inmarsat, Iridium, and VSAT systems
- Electronic navigational equipment (installation, configuration, technical support)
- Accounting Authority services (A/A GRO1 and GR12)
- Terminal activation services for Inmarsat (PSA) and Iridium

It also provides customers with a series of management tools through the Web, aiming to control and manage their telecom traffic and services, as well as to provide full technical and commercial support on a 24/7 basis.

2013 AT A GLANCE

In 2013, the company:

- Retained its leading position in the Greek maritime market
- Successfully transferred an even greater portion of its customer base to the Inmarsat FleetBroadband, VSAT and Iridium OpenPort broadband systems, thus significantly increasing their revenue and traffic.
- Improved its position and increased the volume of its transactions in the markets of the Middle and Far East.
- Further broadened its portfolio with new services.

> Financial performance

In 2013, OTEsat-Maritel revenues stood at €18.5 mn, while EBITDA stood at €0.8mn. Approximately 20% of the company's revenue derives from foreign markets.

OBJECTIVES FOR 2014

In 2014 the company will focus on:

- The retention and growth of its customer base, the targeted at traction of new, big accounts of the Greek and international market, and the increase of the number of its Service Operators & Agents
- Reinforcing the company's position in the international maritime market through the further development of a direct sales network in selected maritime centres
- Effectively tackling the intensifying competition through the further enrichment of its existing product/services portfolio and improving the quality of its services and the experience of the customer
- Promoting solutions in the form of packages (which combine equipment, telecommunications, software, value added services and customer service) with a flexible tariff policy
- Continuing the active promotion of incentive programs for the replacement of previous generation Inmarsat satellite systems (Inm-B, mini-M, Fleet 77/55/33) with broadband Inmarsat FleetBroadband, VSAT and Iridium OpenPort systems, aiming at the further penetration of these services
- Providing a full range of services to ships' crews (browsing, VoIP, e-mail, etc.) with a simultaneous reduction of the operational costs of corporate/business customers (tackling the competition, increasing revenues).

CONSULTING SERVICES FOR TELECOMMUNICATIONS TECHNOLOGIES AND BUSINESS TOPICS (OTEPLUS)

BRIEF DESCRIPTION

OTEplus, a member of the OTE Group, provides integrated solutions in the fields of technical support and consulting (HR Services), New Information and Communication Technology (ICT) and Management Consulting.

OTEplus:

- Provides consultancy and technical support services to various OTE operations, such as:
 - Sales & marketing
 - Call centers
 - Telecom network and infrastructure
 - IT
- Conducts studies pertaining to:
 - Business, organizational and operational planning / modernization and operational optimization
 - Business research and development
 - Network infrastructure
 - The development of ICT systems, applications and services
- Undertakes/Carries out:
 - Telecom network construction and maintenance projects (fiber optics and copper cable networks, wireless networks), structured wiring systems
 - Natural infrastructure and space configuration projects (construction and electromechanical works).

services with the use of Augmented Reality technology for the tourist sector” and participants include Agiltech, OTEplus and ORATON, the University of the Peloponnese and the Development Company of the Region of the Peloponnese. The second project is titled “Planning and operation of energy-efficient optical networks” and participants include, besides OTEplus, the Universities of Athens, Thessaloniki and Patras.

› Technical assistance project

Through an international tender, OTEplus undertook, as a member of a consortium of eleven organizations, a framework-agreement with the European Commission, which involves providing experts for the realization of technical assistance projects in third countries with regard to Telecom and IT Technology issues.

› Consulting and technical support project

Provided consulting and technical support services with respect to the operation of the OTE telecommunication network, by selecting and making available an additional 370 technicians nationwide.

2013 AT A GLANCE

› Telecom network construction and maintenance projects

In 2013, through tenders and electronic auctions, the company undertook three OTE telecom network construction and maintenance projects:

1. The Thessaly hybrid project
2. The Piraeus & Argosaronic Gulf composite project
3. The Epirus and Islands composite project

The above projects include the repair of cable faults, minor extensions or shifts of networks, as well as the repair of faults, the set-up of new telephone connections, the construction/ maintenance/ improvement of new arteries of the subscription network within the corresponding geographical areas and with a conventional completion time of one year.

› Research projects

OTEplus is participating in two research and technological development projects which, following a tender, were selected and are being financed by the “Synergasia 2011” action within the framework of the National Strategic Reference Framework (NSRF), as a member of similar consortia of companies and university bodies.

The first project is titled “Innovative LBS/GIS Internet electronic