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Our Strategy

Making the world better
through technology for all

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People
development lies
at the heart of OTE
Group's actions

Maintaining leadership
in our core services

Offering the
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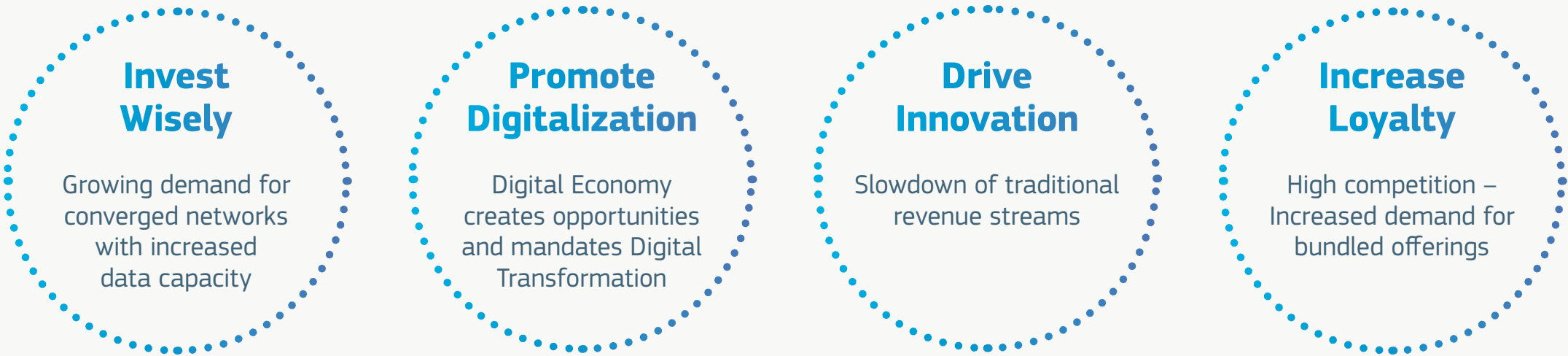
Continuing
development
of network and
infrastructure

Improving systems
and processes
and reducing our
cost base in order
to achieve more
efficient operation

Focusing on new
services with
growth potential

As part of its transformation into a high performance company, OTE is focused, through its strategic plan, on remaining a financially robust company and reinforcing its operational performance through digital transformation in order to be able to continuously offer best-in-class services and a unique customer experience, based on its technologically advanced telecommunications network.

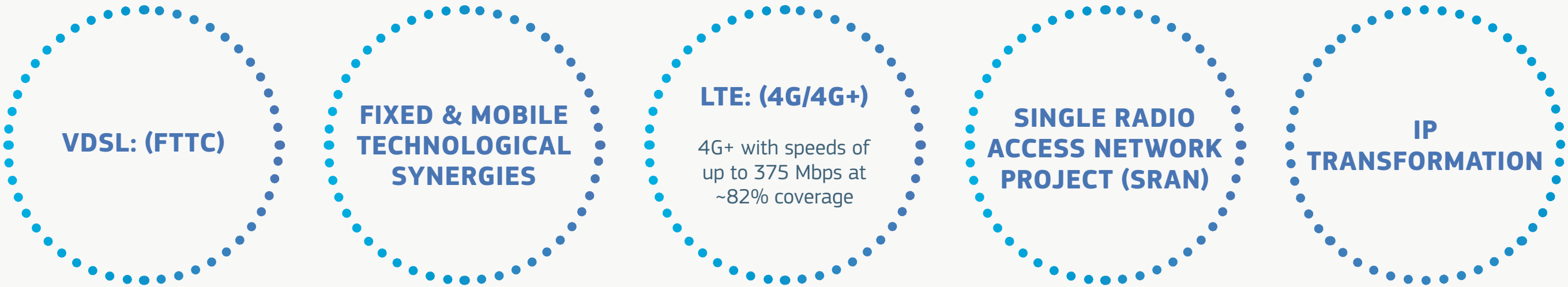
Key Industry Trends Crafting the Focus of Strategy



The Six Pillars of our Strategic Plan



Further expansion of Next Generation Networks with **VDSL** and **LTE (4G/4G+)** gradually covering all of Greece.

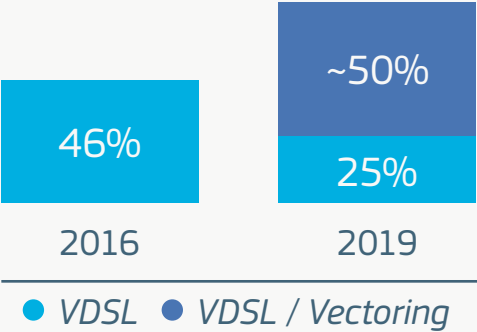


“OTE continues to develop its networks and infrastructure”

VDSL Coverage

VDSL (FFTC)

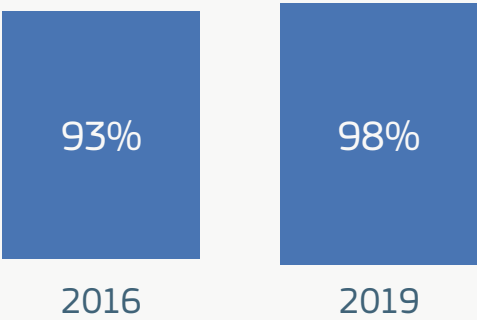
- OTE has been developing a next generation access (NGA) network by:
- Placing Fiber Optic cable to the access network close to the subscriber (Fiber-To-The-Cabinet)
 - Installing MSAN/VDSL2/vectoring equipment (both at local exchanges and at Cabinets). Vectoring technology allow to offer broadband services at 100 Mbps, over the copper access network in existing and new FTTC installations
 - Aggregate MSAN/VDSL2/vectoring equipment with BNG VDSL technology offers broadband speeds of up to 50Mbps, more than double compared to ADSL (up to 24Mbps). From 2017 using VDSL vectoring technology, OTE will offer speeds up to 100Mbps



LTE Coverage

LTE (4G/4G+)

- COSMOTE further developed its LTE network in Greece:
- It has secured spectrum at 800MHz and 2,600MHz until 2030 to facilitate its LTE expansion plans in terms of coverage (indoor & outdoor) and capacity
 - 4G/LTE network covers 93% of population, while 4G+/ LTE-Advanced network covers ~82% of population, comprising a strong competitive advantage

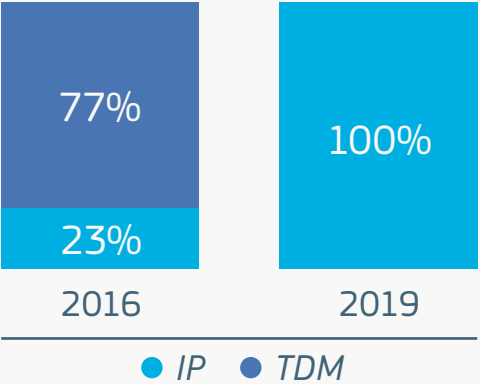


IP Transformation

IP TRANSFORMATION

- OTE is deploying VoIP infrastructure in Greece, aiming at:
- Network simplification & modernization
 - Operating cost reduction
 - Improved customer experience
 - Introduction of new IP based services

In 2016, OTE accelerated VoIP migration by using both VoBB and VoPOTSoMSAN solutions.



FIXED & MOBILE TECHNOLOGICAL SYNERGIES

- Work towards Fixed & Mobile network consolidation, aiming at:
- Common IP Core Infrastructure /Common IN and VM Infrastructure
 - Common Services Management Environment
 - Maximizing Backhauling (over F/O or wireless) and Transport Synergies
 - Maximizing Power and Civil Infrastructure Synergies

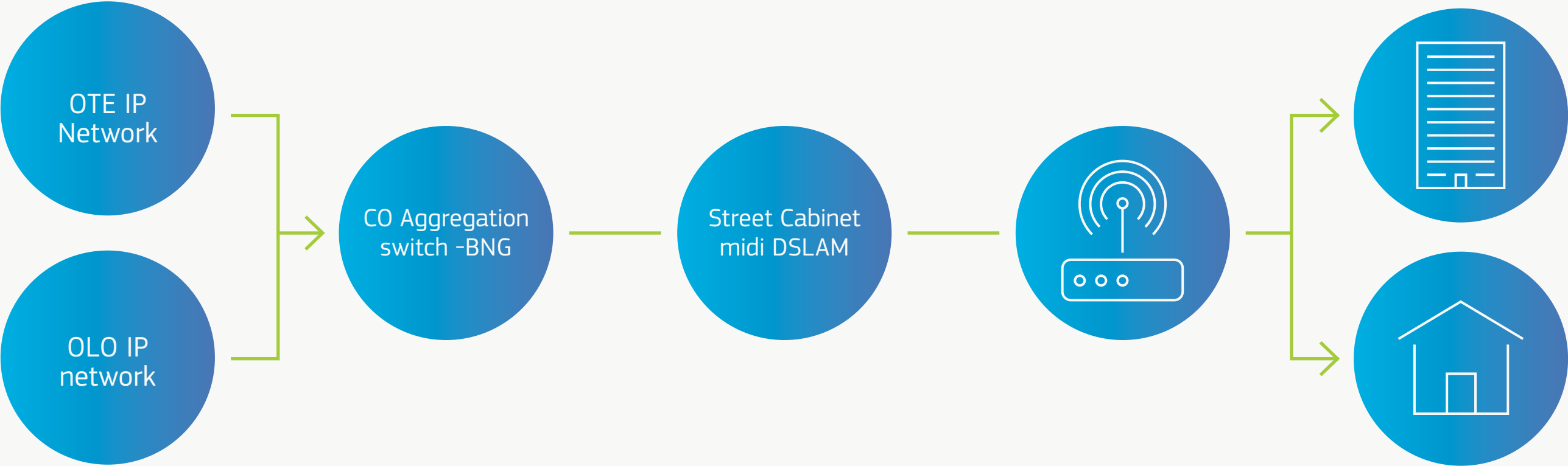
In 2016 OTE offered commercial Hybrid access (fixed-mobile) products in order to reach speeds of up to 50 Mbps (to non-VDSL areas) or up to 100 Mbps (to VDSL areas).

SINGLE RADIO ACCESS NETWORK PROJECT (SRAN)

- Transforming the mobile network to establish a common 2G/3G/4G infrastructure per base station location
- Modernizing the RAN equipment (BTS/Node-B & BSC/RNC) and the antenna system, as well as transforming the data transmission networks into IP networks
- SRAN's main benefits involve cost reduction due to the economies of scale in equipment prices, reduced energy consumption, lower volume/size in infrastructure per location, as well as less maintenance requirements

“Next generation fixed access network”

VDSL services provided from the Street Cabinet (FTTC)



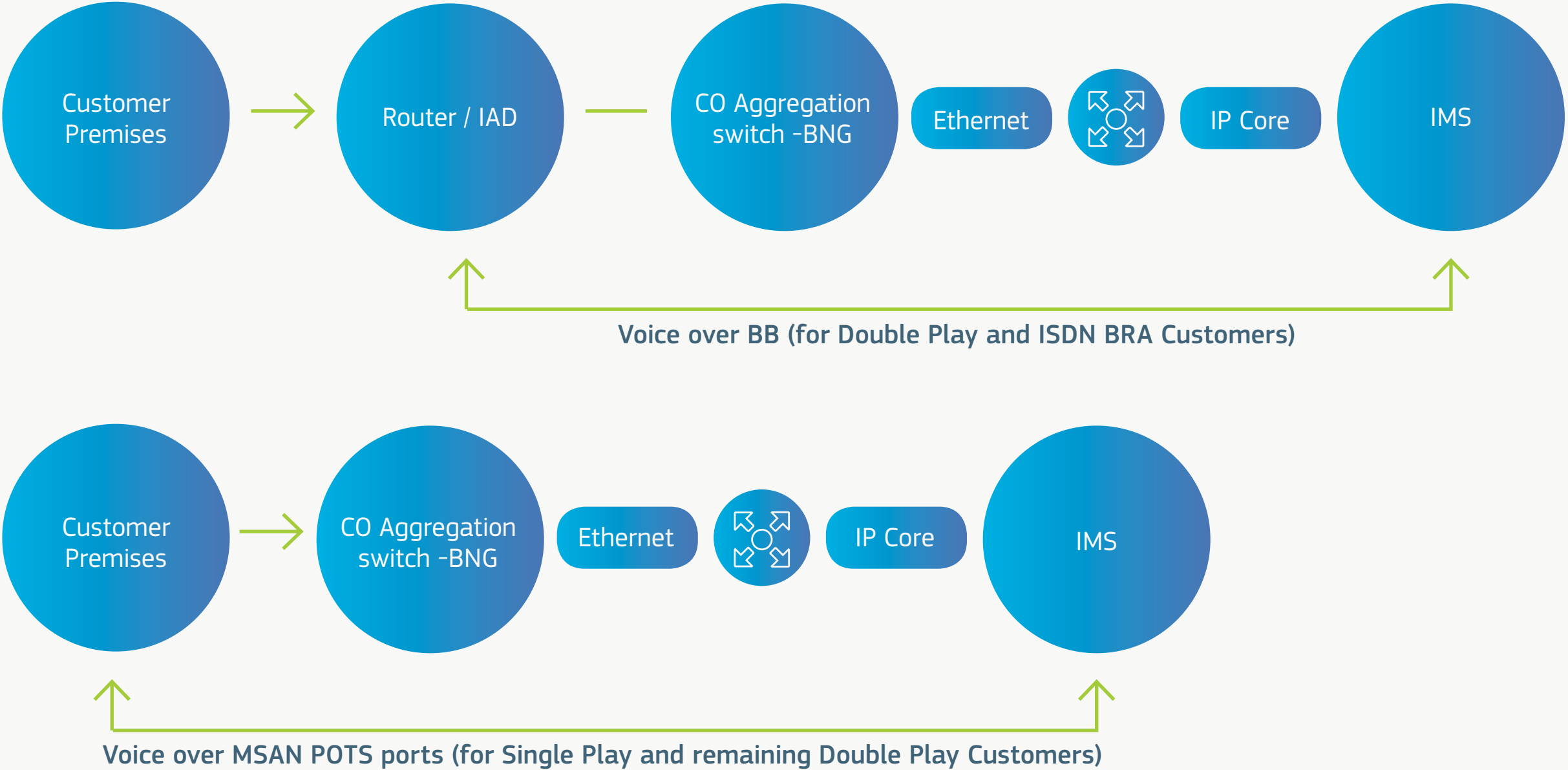
PSTN MIGRATION PROJECT SCOPE & RELATED BENEFIT

Project Scope

- Offer Voice Services through the IP network
- Retirement of legacy PSTN/ISDN Systems

Benefits

- Energy consumption efficiency
- Old PSTN Network Dismantling
- New Service Availability
- Maximization of NGA Network Usage



TV SERVICES HIGHLIGHTS OF 2016

- Launch of Hybrid-IP service
- Launch of COSMOTE TV Go additional OTT clients (PC and MAC OS X)
- Enrichment of Video On Demand Services portfolio by introducing COSMOTE TV Plus catalogue (available for STB and OTT devices)
- Enhancement of TV services with innovative add-on services like Remote PVR
- Modernization and Expansion of Cisco/NDS CAS platform to support 1M satellite customers
- Rebranding of OTE TV to COSMOTE TV
- Gradual migration of existing Satellite customers to Hybrid TV platform
- Full retirement of legacy IPTV platform
- Expansion of OTT HeadEnd to support more SD/HD channels
- Implementation of georedundancy site for DTH Head-End Platform
- Implementation of a Media Asset Management (MAM) system for COSMOTE Cinema Channels
- Implementation of a full LAB system for DTH & IPTV platforms
- Transfer of COSMOTE TV services from satellite EUTELSAT 9A to EUTELSAT 9B

Improvement of provisioning services and fault repair procedures, having a positive impact on end to end KPIs

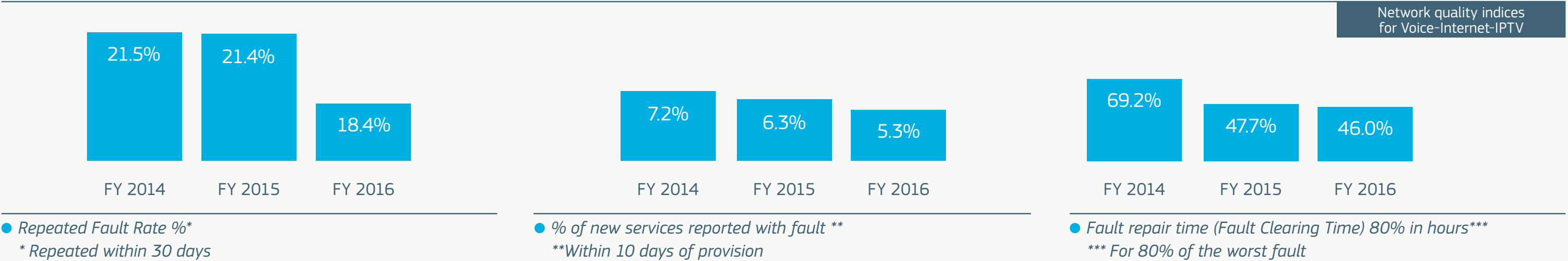
OTE’S SPECIAL NETWORKS

Radio-maritime services and Networks:

- OTE continued the implementation of a 2-year contract awarded by the Hellenic Coast Guard for the nationwide provision of Safety of Life at Sea communications (GMDSS), using OTE’s Olympia Radio network. In 2016, Olympia Radio network handled 46 Mayday signals, 165 emergency signals, 461 gale reports and 16,414 NAVTEX signals
- Most importantly, we co-operated with Hellenic Coast Guard in 149 cases of Safety of Life at Sea incidents involving 1,889 lives

Satellite capacity and services:

- Expansion of satellite network infrastructure, addressing business customers’ requests for capacity expansion and new services at our two Satellite Teleports, Nemea and Thermopylae.
- Inmarsat-OTE co-operation in Nemea towards the successful launch of the European Aviation Network (EAN), the world’s first integrated satellite and air-to-ground network dedicated to providing a true in-flight broadband experience for Europe’s aviation industry
- Network upgrade and redundancy schemes implementation, aiming at improved availability figures and customer experience.



TRANSPORT NETWORK EVOLUTION IN 2016

Expansion of MPLS-TP in fixed transport network in order to support current and future needs towards All-IP Transformation and Broadband expansion.

LEGACY RETIREMENT IN 2016

Replacement of ATM DSLAMs by ETH DSLAMs for network modernization, simplification, energy saving and service enhancement. The replacement project will be nearly completed within 2018. Decommission of Legacy SDH continued and will be completed until 2020, following the decommission of ATM and PSTN network.

4G/4G+ TECHNOLOGY

In 2016, COSMOTE achieved many technological milestones:

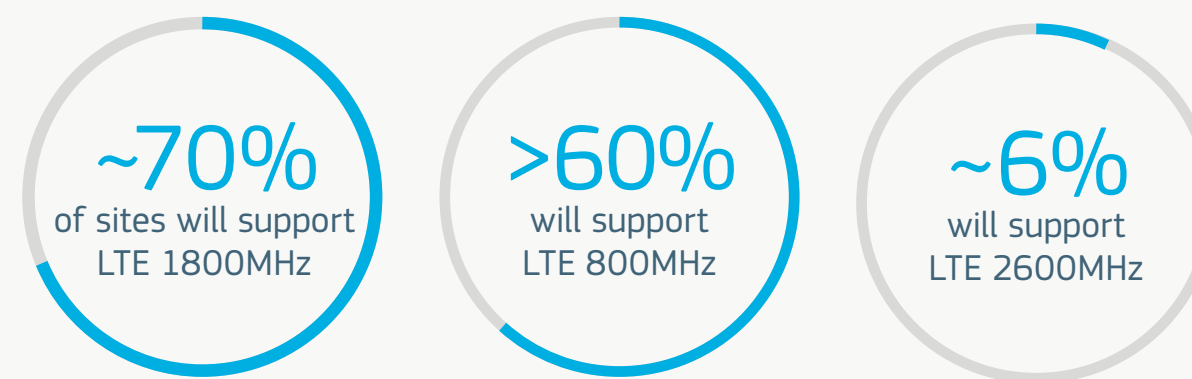
- It was one of the first networks worldwide and the 1st in Greece that commercially launched LTE Advanced Pro technology (December 2016), giving speeds of up to 500Mbps through LTE Advanced – 3xCarrier Aggregation (3CA) & 256 Quadrature Amplitude Modulation (256QAM). The rollout of COSMOTE's 4G & 4G+ LTE Advanced network is ongoing throughout the entire country
- During 2016, the established 4G/4G+ base stations increased and the respective 4G population coverage rose from 81% to 93%, while the 4G+ population coverage rose from ~55% to ~82%
- COSMOTE's network leadership through the P3 Communications Mobile Benchmarking research took place on July 2016. COSMOTE was awarded the "Best in Test" Certificate for its Voice & Data services

TECHNOLOGY INNOVATION

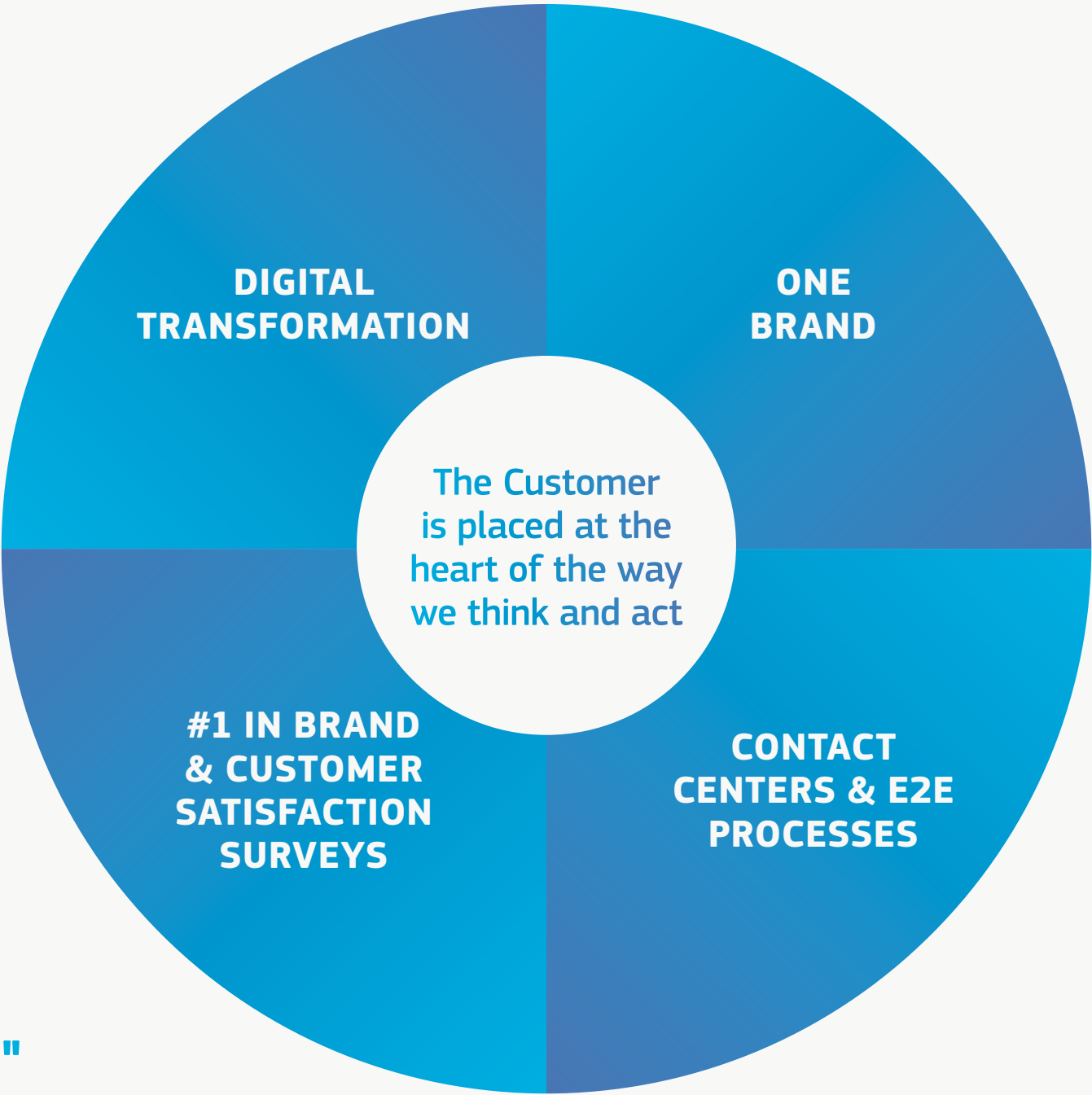
The coverage and capacity expansion of COSMOTE's 4G/4G+ network will continue, aiming at maintaining its technological superiority through the adoption of new technologies (i.e. MIMO 4x4) and the full exploitation of COSMOTE's allocated spectrum.

SINGLE RADIO ACCESS NETWORK (SRAN) PROJECT

- In 2016, a significant number of sites were swapped (~86%), thus covering a large percentage of the mobile telecommunications access network infrastructure
- The Single RAN project will be completed in 2017. At the end of the Single RAN project, almost all sites will support HSPA 42/5.8 Mbps:



"Offering a unique customer experience and being the first choice for integrated telecommunications services"



ONE BRAND

Established in the minds of the customers a new consolidated brand COSMOTE, increasing the “footprint” of the basic values of the brand, such as “dynamic”, “trustworthy” “stands out in quality and services”, “best networks and infrastructure”, “worth money paying”, regarding both Fixed and Mobile.

CONTACT CENTERS & E2E PROCESSES

- COSMOTE ONE established dedicated experts for Mobile, Fixed and COSMOTE TV
- Enhanced self services in IVR menus & smart routing capabilities at the call centers providing customers with quick access to the most suitable, dedicated agent (2million IVR customers in 2016)
- New digital services in customer service further enhanced customized customer experiences and personalized service delivery: Video Call capabilities, Hints & Tips videos, On the spot visualization of the customers’ problem through the use of mobile camera
- Ongoing core end2end process improvements aiming to further enhance customer experience. 74% of technical issues are being resolved at 1st contact. COSMOTE TV Faults Resolution Rate reached 95%. Order management process was further automated reaching a 50% automation rate in fixed and mobile contracts
- B2B dedicated VIP customer / dedicated personalized support through number 13820 & dedicated experts
- Customized support for FMCC customers
- Proactive B2B customers information for network maintenance & failures
- ICT highly specialized consultants provide unique, personalized customer services

#1 IN BRAND & CUSTOMER SATISFACTION SURVEYS

Regular brand and customer satisfaction surveys indicate that the company continues reaping the fruits of its leadership across the fixed and mobile markets in terms of:

- being a trusted, reliable and preferred brand
- providing network superiority

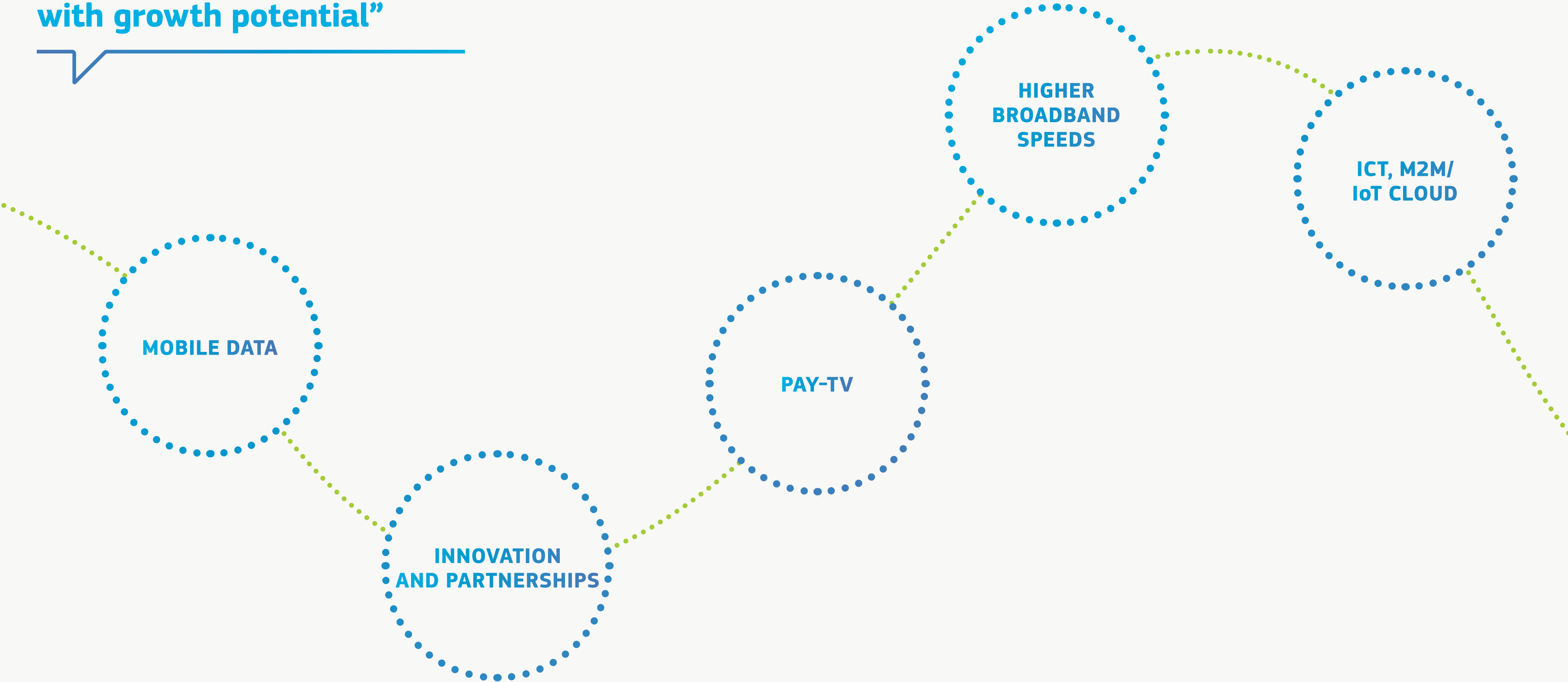
DIGITAL TRANSFORMATION

- Driving e-bill and e-service penetration to both fixed and mobile segments:
- e-bill uptake to >950K customers (23% of total bills)
 - Steady growth of Mobile Application usage (+50% yoy), 35% of our smartphone users
 - Increased e-channel contribution on sales at 10%
 - More than 3.5% of prepaid revenues derive from e-top ups
- Initiated new, automated, digital functionalities which strengthened the Customer Experience and company’s competitive advantage such as:
- e-Signature
 - Paperless contract implementation
 - Automated, real time fault repair
 - Proactive communication with customer

WALK-IN TRAFFIC IN OUR RETAIL STORES / CUSTOMER SERVICE CONTACTS

- Completed refurbishment of 100 Germanos stores providing unique experience and access to even more technology products
- Our retail network consists of:
 - 306 Germanos-branded stores and
 - 135 COSMOTE-branded stores
- Customer Service, Fixed and Mobile, handled more than 60 milion contacts.
- Almost 610,000 hours of training and coaching for the company (more than 230,000 hours to the frontline Shops employees) were allocated to further support corporate strategy and ensure best customer experience
- Increased contribution of telesales channels in the implementation of commercial corporate strategy: more than 1.8 milion products and services were sold via telesales
- The company’s Telemarketing team won the 1st place in the “Best Telesales Team of the Year” category (gaining 6 prizes in total)

“Focusing on new services with growth potential”



MOBILE DATA

Strong data organic revenue growth +9% with revenue contribution on Service Revenues reaching 21.4% driven by:

- 4G/4G+ coverage and speed leadership
- 4G handset penetration on active base reached 29% from 14% last year
- Smartphones take-up at 57% of active base from 52%
- Average active internet users take-up at 40% of active base from 35% last year
- Data traffic dynamic growth (+51% yoy)

COSMOTE My Internet service, is offering to all COSMOTE mobile customers real-time notification, upon consumption of the available MBs, and the major benefit of the “service cut-off policy” that ensures that no extra charges are imposed to the customer. New short-period data bundles called “Giga Deals” that offer a lot of GBs at a competitive price, for daily or weekend duration (e.g. Weekend, 5 GB for 2.90€).

INNOVATION AND PARTNERSHIPS

- Successfully launched COSMOTE@Your Service, a new, innovative service with integrated technological solutions
- Became the first company in Greece and among the first in Europe to introduce the Narrow-Band Internet of Things in cooperation with Deutsche Telekom and Huawei & the IPv6 mobile network services protocol for M2M and IoT services.
- Install & support Smart City pilot systems (Smart Parking and Smart Lighting)
- Introduce Tourismart, an innovative IoT application, which allows for the use of hotel services via Smartphone, during the guests’ stay
- Partner of Greek Tourism Confederation (SETE)
- Environmental Awards 2016 for COSMOTE Energy Management service for Municipality of Patras & Agiou Dimitriou
- Smart cities pilot projects: Chalkida (2016), Patra (2017)
- Business IT Excellence Award for IT security projects. Top IT Security Projects: Piraeus Bank, Fraport, Viochalko, Bank of Greece
- Eurobank Video Conference & Banking Services

PAY-TV

- Enrichment of TV exclusive and premium content led strong performance in terms of revenues and customer base
- Initiated Unique Hybrid services (COSMOTE Replay TV - COSMOTE Cinema on Demand & COSMOTE TV Plus – PVR-COSMOTE TV GO)
- Pay-TV revenues increased by 31% yoy despite the new 10% Pay-TV revenue tax applied as of June 1, 2016, which significantly slowed-down the Pay-TV base uptake
- Customers closing base growing at 503K (+13% yoy).

HIGHER BROADBAND SPEEDS

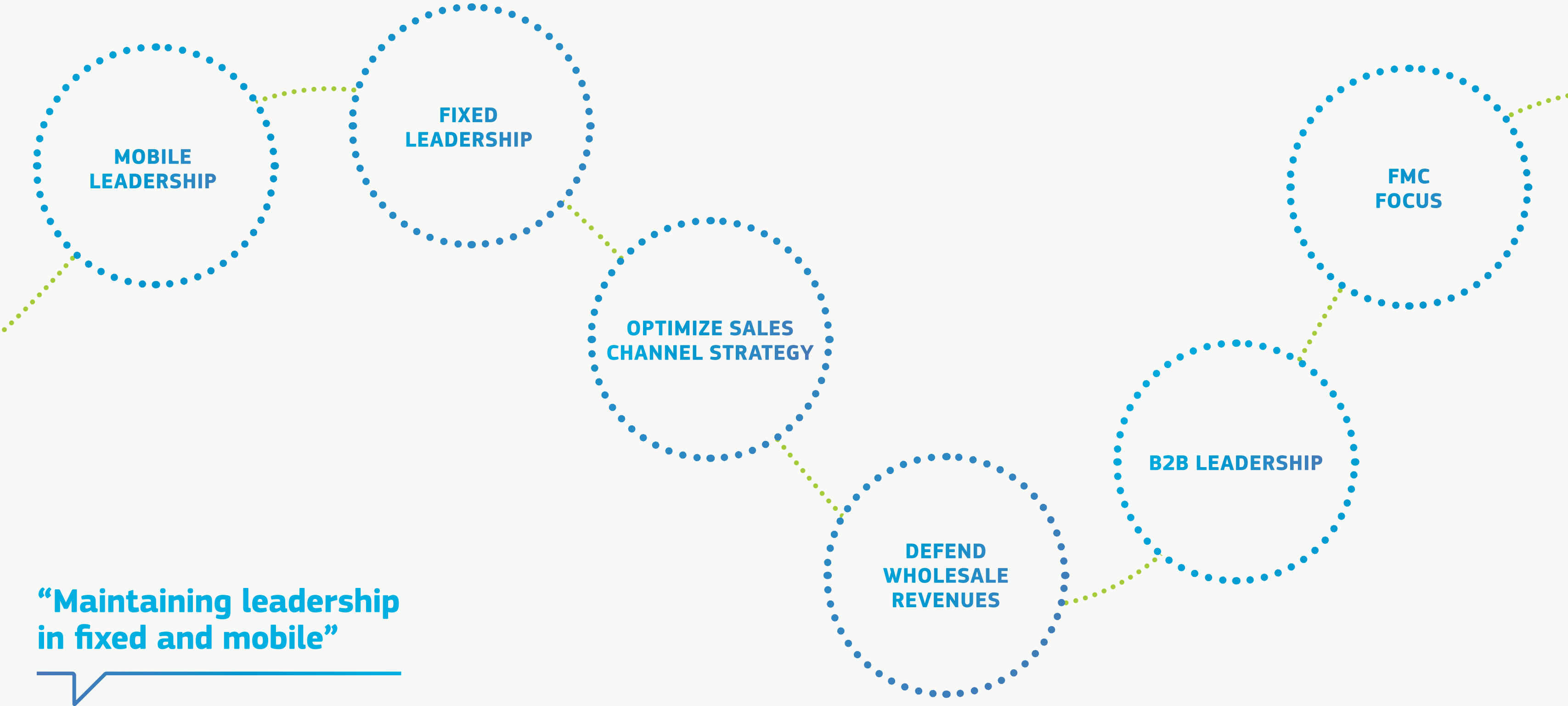
- Capitalize on extended NGA footprint as well as speed enhancement campaigns, resulting VDSL base growing to 13.4% of Broadband customers from approximately 10% in 2015, or 219k customers. Consumer Broadband revenues increased by +11.4% yoy and Business by 4.4% driven by investments in VDSL and by proactive speed development campaigns pushing broadband penetration on access and VDSL penetration on broadband
- Broadband base up by 129K reaching 1.6 mn, capturing 58% broadband net additions share vs. 55% in 2015, expanding our overall Broadband share by 1 percentage point
- OTE broadband -penetration on access- increased by 6 percentage points from 56% in 2015 to 62% in 2016.
- Increased VDSL base by 70k, compared to 2015, reaching 219k VDSL base

ICT, M2M / IoT, CLOUD

- Through our intense activity in the field of IT Integration and having established strategic partnerships to implement complex ICT projects, the company strengthened its leading position in ICT and remains a partner of choice for businesses seeking advanced solutions in the fields of health, tourism, information security, energy, Data Centers, Cloud and Internet of Things (IoT)
- In 2016 OTE Group received the WITSA Global ICT Excellence Awards 2016 for its work on the Data Center of Coca-Cola HBC Group in Greece
- New cloud-based applications and services were added to the integrated technological COSMOTE Business IT Solutions, thus responding to the daily needs all businesses have, enabling them to become more efficient and competitive
- Launch of new cloud based service Office 365
- Launch of new web hosting packages/ rate plans
- Launch of COSMOTE POS service which provides businesses & freelancers the option to accept payments via credit, debit and prepaid cards
- Launch of the Mobile Device Management (MDM) service, which offers remote management of Smartphones & Tablets and secure access on corporate emails & files

Top Projects won/delivered in 2016:

- Completion & Operation of Coca-Cola HBC Group’s Data Center for 28 countries
- Big Data Shared Service Center
- Fire Brigade Operations Center
- Upgrade of 2,500 OPAP shops and central points
- National Telemedicine Network
- Med Sea Health S.A.’s Miraggio Thermal Spa Resort



“Maintaining leadership in fixed and mobile”

MOBILE LEADERSHIP

COSMOTE retained its leadership in Service Revenues share >50% focusing mainly on defending customer base and growing value from the base. Market Service Revenues contraction slowed down by 2.2 p.p. (-1.5% in FY’16 vs. 3.7% in FY’15) despite growing pressure on disposable income. Leveraging on its customer centric strategy, the company managed to maintain its strong revenue leadership position.

FIXED LEADERSHIP

Despite intense competitive pressures and a challenging macro-environment, OTE has managed to maintain its access line share stable at 56%, with approximately 2.7 million retail lines, leveraging its customer-centric strategy and its converged fixed and mobile value propositions. Access base stabilized as a result of record low line losses for FY’16 (-26k vs -42k in FY’15).

OPTIMIZE SALES CHANNEL STRATEGY

Further optimized channel performance and sales productivity focusing on Value-Based sales steering capabilities and return on market investment.

DEFEND WHOLESALE REVENUES

- OTEGlobe won 2 “Global Carrier Awards 2016”: “Best Eastern European Wholesale Carrier” and “Best Customer Testimony”
- OTEGlobe is a founding member of the constructing consortium for international super-high-speed subsea cable Asia-Africa-Europe-1 (AAE-1), the largest to be constructed in almost 15 years
- Achieved Wholesale Access services growth and Data services capacity base conservation

B2B LEADERSHIP

Safeguarded core B2B revenues via customer base & ARPU dilution control

FMC FOCUS

- Focusing on integrated FMC customers’ needs, the company promoted even more COSMOTE 1 and COSMOTE Business 1 products for Mobile and Fixed targeting ARPU protection along with offering innovative services to the costumers
- For B2C, COSMOTE ONE was launched addressing household communication and entertainment needs, enabling both single and family households to experience and share more, wherever they are
- For B2B, FMCC services for small businesses were launched:
 - COSMOTE Business One - Smart Office/Digital Office, Internet Presence,-Cloud storage/email. Already 30k SME/VSE exploit the benefits of those services (22% penetration)
 - The “Next Business Generation” program was another COSMOTE initiative to foster entrepreneurship in Greece. Three (3) Greek family businesses stood out in the program and earn substantial advertising promotion and COSMOTE Business One services for free

COSMOTE ONE

COSMOTE One, an entire new world of communication and entertainment benefits for the subscribers, allows them to enjoy Internet, Voice, and Entertainment Services anytime, from any device, wherever they are. With COSMOTE One, subscribers benefit from free communication between mobile and fixed line, as well as other unique advantages, such as free Cloud Storage service of 15GB, the OTE TV Go service allowing them to watch OTE TV from their Smartphone or Tablet both within and outside their house, in a single envelope including both their fixed and mobile bills and finally the new improved experience of personalized Customer Care service.

COSMOTE BUSINESS ONE

COSMOTE Business One, meets the enterprise needs, providing everything for better organization, efficiently function and even bigger growth. «COSMOTE Business One» offers, free mobile and fix calls between company’s numbers, manages incoming calls with call center services such as a welcome message and programming aberrations depending on operating hours. Simultaneously can store files in the 80GB free storage - available everywhere and at any time, sending and receive fax in the mail. The entire above in a common envelope, with a personalized service for even better customer experience.

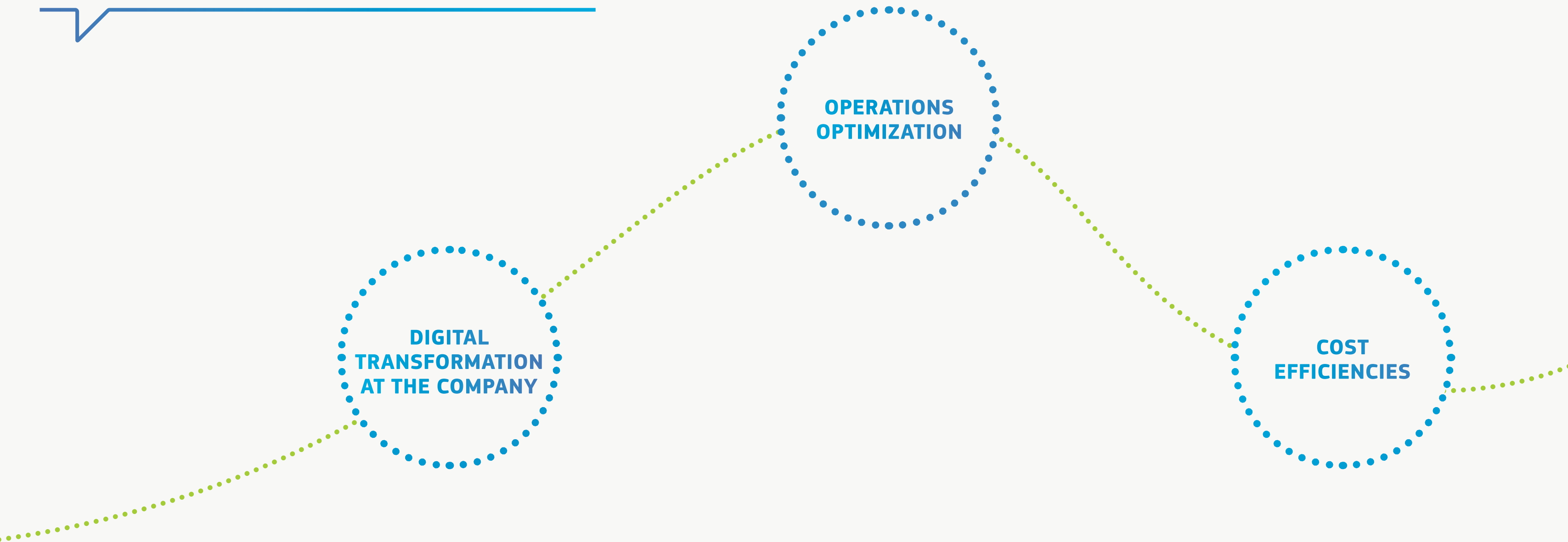
Launch «**COSMOTE Business Mobile Cost Control Value**» & «**COSMOTE Business Mobile Cost Control for All**», two new Mobile Cost Control rate plan series. Main targets of new series are: the enhancement of product value with addition of embedded minutes & MBs, increasing the Data penetration & Data usage, enriching the available range of COSMOTE Business One programs.

Launch of COSMOTE Mobile Backup service which provides back up internet connection through 3G/4G in case of ADSL/VDSL internet connection technical issues.

ROAMING

- Re-launched the free of charge Roaming Data Limit service in order to offer worry-free data usage abroad with even greater cost control, allowing subscribers to set maximum data usage limits worldwide, according to their needs
- COSMOTE Travel & Talk roaming service for COSMOTE prepaid, Mobile Cost Control and Business Mobile Cost Control subscribers which offers daily and weekly voice (outgoing & incoming calls) and SMS bundles in more than 60 countries at the very low price caps. COSMOTE subscribers talk and send SMS at very low rates and with total cost control
- COSMOTE subscribers of COSMOTE Mobile & COSMOTE Business Mobile tariff plans enjoy roaming with no additional cost, forever, within the European Union as well as in Iceland, Lichtenstein and Norway. Subscribers of the aforementioned tariff plans who have activated the COSMOTE Travel Pass service and travel to these countries, are able to use their available air time, SMS and MBs for web browsing from their mobile, as well as receive incoming calls with no additional charges. Furthermore, for subscribers –both residential and business– who have not subscribed to any of the above tariff plans, COSMOTE reduced the daily charge of the COSMOTE Travel Pass service for the aforementioned countries to €2.99/day, from €4.99/day. Additionally, customers enjoying the COSMOTE 4G network in Greece, can also surf the web at incredible 4G speeds while roaming, in cooperation with most providers in Europe

“Improving systems and proccesses and reducing our cost base in order to achieve more efficient operation”



DIGITAL TRANSFORMATION AT THE COMPANY

- Further unification, simplification and automation of Journeys at the company: E-Signature; Single Sign On
- Digitization of Finance: one.ERP; Launched Credit Control Tool at Fixed; Common F-M “One” Revenue Assurance platform; New Expense Policy digital workflow; PO process automations
- Digital Transformation Program detailed & recognized as the Design Principle at DT Europe

OPERATIONS OPTIMIZATION

- Improved DSO, despite the adverse economic environment
- Further streamlining of “Order2Bill” and “Fault2Repair” processes through a 48/24 program with substantial results in customer satisfaction
- Customer Care new common operating model initiatives
- Further Digitization & automation of Call Centers processes resulting in improved customer experience
- Enhanced Digital experience at Retail stores
- Subcontractors Consolidation and management automation
- Enhancements on physical and information security and on Business Continuity processes
- Physical security hardening of buildings & shops

COST EFFICIENCIES

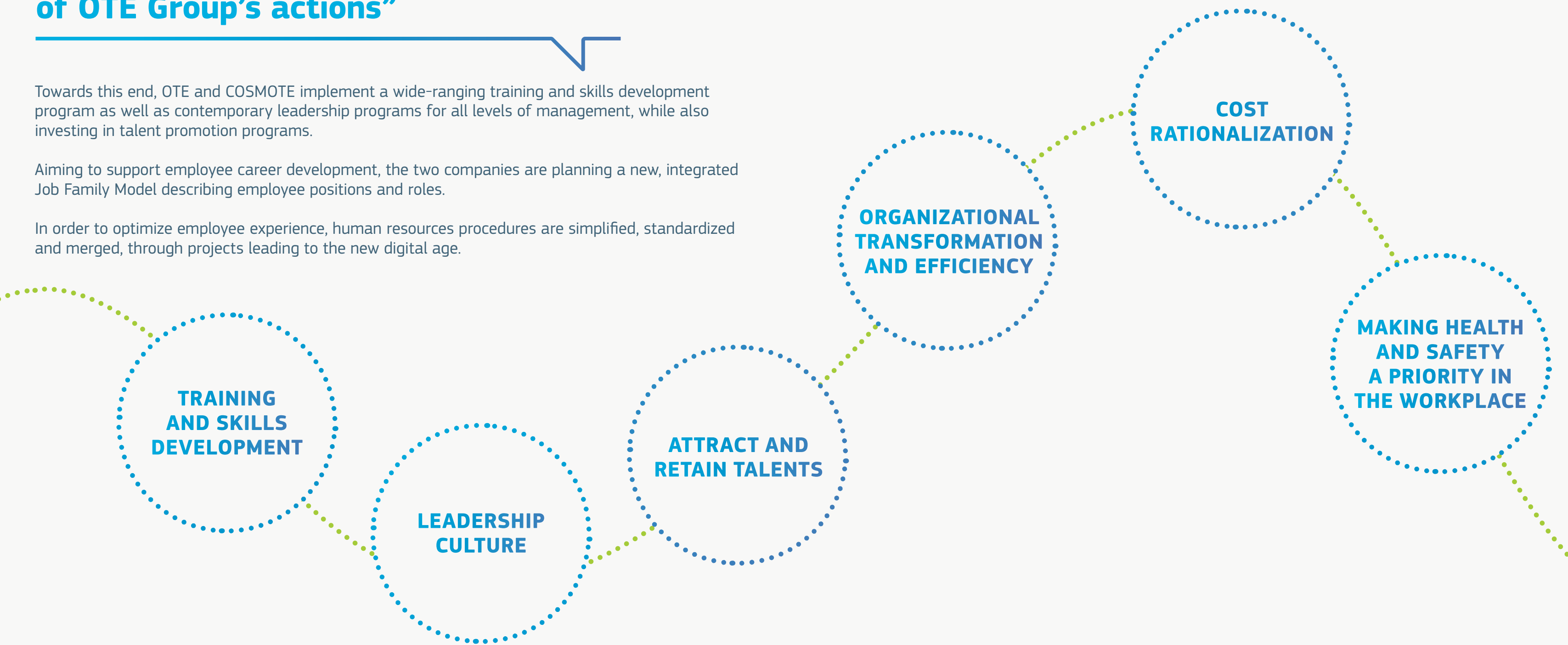
- Significant reduction of debt financing costs
- Energy program to reduce cost led to establishment of Energy Unit with OTE Estate
- Monetization of unused real estate
- Procurement synergies with DT Group in Technology, IT, licenses, terminals, exceeding savings’ target
- Cost efficiency programs

“People development lies at the heart of OTE Group’s actions”

Towards this end, OTE and COSMOTE implement a wide-ranging training and skills development program as well as contemporary leadership programs for all levels of management, while also investing in talent promotion programs.

Aiming to support employee career development, the two companies are planning a new, integrated Job Family Model describing employee positions and roles.

In order to optimize employee experience, human resources procedures are simplified, standardized and merged, through projects leading to the new digital age.



TRAINING AND SKILLS DEVELOPMENT

- Implementing upskilling and reskilling programs
- Planning and implementing training sessions according to business needs
- Implementing programs that aim to encourage creative thinking and innovation
- Promoting international career opportunities within the DT Group

LEADERSHIP CULTURE

- Updating leadership programs in accordance with increasing demands and changing management conditions (“You.Lead” programs)
- Implementing leadership programs for new managers
- Implementing new leadership skills development programs aimed at experienced frontline executives

ATTRACT AND RETAIN TALENTS

- Completion of the “developmental journey” of the ten young people selected for the “COSMOTE Graduate Trainee Program” which attracted talent from the market
- Continuation of the specially designed “developmental course” for the nine employees selected by the “you.grow” internal talent program

ORGANIZATIONAL TRANSFORMATION AND EFFICIENCY

- Streamlining and harmonizing policies, procedures and systems
- Continuing the functional integration of fixed and mobile telephony, and the support of new, contemporary organizational structures
- Planning and implementing a new, integrated model describing the position and role of all employees
- Simplifying, standardizing and merging procedures towards a new, contemporary HR operating model

COST RATIONALIZATION

- Implementing voluntary retirement plans in a socially responsible manner
- Over 230 targeted hirings throughout Greece
- Over 480 vocational school and university students carried out internships at OTE and COSMOTE

MAKING HEALTH AND SAFETY A PRIORITY IN THE WORKPLACE

- Strengthening the values of a Health and Safety culture
- Focusing on a single regulatory framework, OTE and COSMOTE, with common procedures, work instructions and publications
- IT organization and monitoring of the program for occupational physicians towards reinforcing prevention
- Informative and consultative actions towards balancing the personal and professional lives of employees (“Living Better” programs)

