

365 days to give back...

Corporate Social Responsibility Report 2006



365 days to give back...

About this report

This is OTE's second annual Corporate Social Responsibility report as a responsible corporate citizen to our stakeholders, reviewing our economic, social and environmental performance.

OTE has a long record of commitment to Social Responsibility, which today is an integral part of our corporate strategy. We aim to ensure that people in Greece and the other countries in which we operate have access to modern telecommunications and that we do so in an ethical manner that strikes a balance between the creation of profit and the interests of all our stakeholders.

The report covers the calendar year 2006 and, like our 2005 report, focuses primarily on our operations in Greece with a supplementary section on the CSR approaches and initiatives in our international and subsidiary operations.

The structure of the report reflects OTE's CSR strategy of "Building Ties" in the marketplace, with our people, for the environment and in society. This approach formed the basis for our 2005 report. We aim to progressively expand upon our coverage of these issues as we develop our knowledge and programs.

This year we have also started to take into account the principles of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, including the latest G3 Guidelines, with the aim of gradually developing our reporting strategy over time in accordance with those and other relevant international standards.

We welcome feedback from our stakeholders about the report and its contents.

Please visit <http://www.ote.gr>

or contact us at the Corporate Communications Media Office:

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Table of contents

Message from the Chairman	6	Taking care of our People...	56-61	Partnering with Society...	76-85
About OTE	7-17	Managing our restructuring	56	Helping children and vulnerable groups	76
The Group-at-a-glance	8	Internal communications and equal opportunities	58	Encouraging voluntary work	80
Mission, vision and business strategy	14	Employees' wellbeing and benefits	59	Promoting interest and research in technology	81
Corporate governance	16	Training and rewards programs	61	Preserving greek cultural heritage through sponsorships	84
Our CSR approach	24-29	Minimizing our impact on the Environment...	68-69	CSR in subsidiaries	92-99
Building ties	24	Reducing impact from transportation	68	COSMOTE	92
The CSR Committee	25	Lowering energy consumption	68	OTENET	94
Stakeholder engagement	26	Promoting waste reduction and recycling	69	INFOTE	96
Making a difference in the Marketplace...	36-49	Supporting environmental NGOs	69	Hellas Sat	97
Serving customers	37			OTE Investment Services	97
Bridging the broadband gap	40			Romtelecom	98
Providing telecommunications services for people with special needs	47				
Sustainability in our supply chain	48				

Message from the Chairman

Maroussi, June 5th 2007

CSR begins by doing what you do ethically and well, vis-a-vis your stakeholders, employees, clients, shareholders and community. If you always strive to improve what you do, it is usually good business as well, so your company has more money to spend on things which are good for the soul.

OTE group has for several years been carrying out a great number of activities which would qualify as CSR. In fact, in terms of effort and money spent, OTE is probably at the top of Greek enterprises in this regard. It will continue to do so, even more systematically, always trying to improve its performance and focusing on areas where it can most effectively contribute towards the improvement of the world we live in.



Panagis Vourloumis
Chairman of the Board of Directors
Chief Executive Officer of OTE S.A.

About OTE

Hellenic Telecommunications Organization (OTE S.A.) is Greece's largest telecommunications operator, providing services to consumers, Greek and foreign businesses and public agencies.

Apart from serving as a full service telecommunications group in the Greek telecoms market, during the last decade OTE Group has expanded its geographical footprint throughout South East Europe, acquiring stakes in the incumbent telecommunications companies of Romania and the Republic of Serbia and establishing mobile operations in Albania, Bulgaria, the FYROM and Romania.

The Group also offers mobile telephony, internet access, broadband, ISDN, satellite, high-speed data communications and leased lines services. At present, OTE companies employ over 30,000 people in six countries.

OTE is among the five largest listed companies with respect to capitalization in the Athens Stock Exchange and also trades on New York (NYSE) and London (LSE) Stock Exchanges.

The Group at-a-glance

Fixed telephony

OTE's strong brand name today identifies with broadband and fixed line services.

As the leading supplier of broadband and fixed line services in Greece, OTE provides numerous products and services to Greek and foreign companies, residential customers and other organizations.

It is also the majority owner of Romtelecom, Romania's incumbent operator, with a 54% stake, and the owner of a 20% stake in Serbia's incumbent operator, Telecom Serbia, though this company is not consolidated in OTE Group accounts since it is not controlled by OTE.

OTE is accelerating the rollout of new technologies, chief among them ADSL broadband and is pursuing the modernization of its networks to offset lower voice revenues and enhance customer loyalty.

Country	2006 Revenues (in € mn)	Number of Employees
Greece	2,714.5	11,755
Romania	894.8	12,257

Mobile telephony
OTE offers mobile telephony services to customers in Greece through its mobile arm, Cosmote – the country’s leading provider of mobile telecommunications services – and abroad, through a number of subsidiaries owned by Cosmote Group.

Cosmote also enjoys leading positions in Albania and Bulgaria and is active in some of Europe’s fastest growing mobile markets like FYROM. In addition, Cosmote recently re-launched the Group’s mobile operations in Romania.

As of 12/31/06	Revenues 2006 (in € mn)	Number of Employees
Cosmote (Greece)	1,630.6	2,158
AMC (Albania)	151	529
Cosmofon (FYROM)	53.7	340
Globul (Bulgaria)	342.3	1,130
Cosmote (Romania)	43.8	More than 700
Germanos (since 11/2006)	251.7	

Major subsidiaries

Company	Business	2006 Revenues (in € mn)	OTE ownership
COSMOTE (Group)	Mobile telephony	2,382.3	67.0%
RomTelecom	Fixed telephony	894.8	54.0%
OTEnet	Internet	110.5	94.6%
InfOTE	Telephone directory services	62.2	100%
OTEGlobe	Integrated telecom solutions and customer support large corporations	163	100%
Hellas Sat	Satellite communications services	14,9	99.05%
OTEestate	Real estate	66.4	100%

Other OTE subsidiaries include OTEplus (consultancy services), OTE Insurance, OTE Academy (“life-long learning” educational services), OTESAT – Maritel (satellite services to maritime industry) and OTE Investment Services

Sales and acquisitions in 2006

- In November 2006, OTE completed the sale of its 90% interest in ArmenTel to Vimpel-Communications.
- In 2006, OTE's subsidiary Cosmote acquired Germanos, the largest retail distributor of telephony and technology products in South East Europe.

Key financial data (2006) - OTE Group

	2006 (in € mn)	2005 (in € mn)
Total revenues	5,891.3	5,475.1
Domestic telephony	2,260.6	2,312.2
International telephony	346.9	391.0
Mobile telephony	1,975.8	1,752.2
Other	1,308.0	1,019.6
Total operating expenses	4,803.0	5,451.1
Total profits (incl. minorities)	730.8	(16.5)

Our footprint



- Greece
- Albania
- FYROM
- Bulgaria
- Serbia
- Romania

Greece

Fixed and mobile telephony

Fixed telephony subscribers (000): 6,160

ADSL subscribers (000): 488

Mobile telephony subscribers (000): 5,218

Romania

Fixed and mobile telephony

Fixed telephony subscribers (000): 3,403

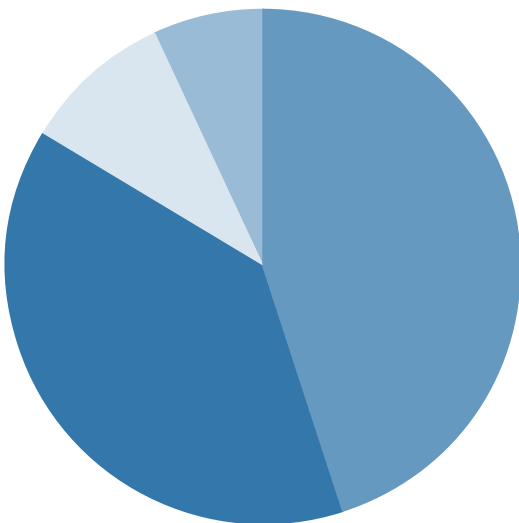
ADSL subscribers (000): 89

Mobile telephony subscribers (000): 1,226

Ownership structure

Shareholder structure, March 31, 2007

45.0%	International Institutional Investors
38.7%	Hellenic Republic
9.5%	Greek Institutional Investors
6.8%	Other



Since 1996 when OTE was a state-owned monopoly, the Greek state has been gradually reducing its participation in OTE's capital.

Today, the state owns 38.7% of OTE's share capital.

Vision, mission, and business strategy

Vision

OTE's vision is to offer high quality and fully integrated services to customers and stakeholders. In this manner, OTE will be recognized as a "responsible citizen", with a presence that adds value to each operating market.

Mission

OTE's mission is to respond to customer expectations by providing high quality services through innovative telecommunications products in a competitive marketplace. Simultaneously, OTE's mission focuses on meeting shareholder expectations for a profitable, strategically expanded, competitive business. Last but not least, OTE's mission refers to internal improvement based on employee training and development, with a view to remaining at the forefront of technological innovation.

Business strategy overview

OTE's goal has been to unlock and build up existing strengths at all levels of the organization and to set the foundations for sustained, value-oriented growth, while working towards increased customer satisfaction and loyalty.

Our strategic goals focus on:

- **...Optimizing all processes by means of sustainable cost reductions and making a lasting improvement in flexibility and productivity.**
- **...Broadening our product and services portfolio with special emphasis on broadband, voice and data services that bring real benefits to the lives of people.**
- **...Implementing programs designed to improve the quality of our customer service and enhance customer satisfaction through integrated telecommunications services and support.**

Organizational restructuring

Strategic restructuring has been at the heart of our business strategy for 2006. We have focused OTE's restructuring throughout 2005 and 2006 on two levels: the organizational level and the Group level.

Organizational level

The key element of our organizational restructuring has been a significant strategic reduction in headcount, preceded by an internal reshaping of the organization during 2005.

Our 'Voluntary Retirement Scheme' was launched in October 2005 and completed in October 2006.

It focused on making OTE more efficient, flexible and competitive. The result was a significant accomplishment, paving the way for OTE's long-term viability within the framework of sustainable and strategic planning.

The scheme offered employees the possibility of retiring early on a voluntary basis without losing any benefits from their pensions. Employees responded with strong interest and from a pool of 5,216 eligible employees, a total of 4,759 - or over 90% - elected to take early retirement and effectively left the company by October 2006.

Group level

On a Group level, the sale of our operations in Armenia (ArmenTel) and the acquisition of the Greek telecoms retail chain Germanos signaled two important restructuring moves; the first signifying a geographical streamlining of our operations to concentrate on the remaining existing markets, while the second providing the Group with an additional external tool to achieve better access to the Greek market.

After a year of strategic restructuring, we believe OTE is well equipped to face the challenges of an increasingly competitive and demanding telecommunications industry.

Corporate governance

Achieving our main strategic objectives entails the application of corporate governance principles as laid down by Greek Law. Within this framework, OTE has implemented key principles that define the composition of the Board of Directors, transparent disclosure of information and respect for the rights of shareholders.

OTE also complies with the Sarbanes-Oxley Act in the United States as its shares trade on the New York Stock Exchange.

OTE's Board of Directors consists of 11 members. The term of one-third of the directors expires each year on the date of the General Assembly of our shareholders. At the Assembly held on June 22, 2006, the three members whose term had expired were re-elected by shareholders.

According to the number of shares in their possession, every paid shareholder whose shares carry voting rights can participate in the General Assembly.

Code of Business Conduct and Ethics

OTE's Code of Business Conduct and Ethics was approved on 26 May 2006 and since then it has been communicated to all personnel. It does not apply to subsidiaries.

Areas covered include: compliance with the law, property protection, confidentiality, employment (equal opportunities, union participation rights, career development, health & safety, personal data protection, employee obligations), client relations, supplier and competitor relations, procurement policy, corruption and bribery.

Full details are available on the investor relations section of OTE's website at:

[http://www.ote.gr/english/
investorrelations](http://www.ote.gr/english/investorrelations)

Day 54









Day 70

Our Corporate Social Responsibility approach

«Building ties»

Our core values, namely quality, transparency, responsibility, social awareness, consistency and continuity of our actions, form the foundation of our CSR strategy, which is implemented through our “Building ties” approach. For us in OTE, Building ties means nurturing lasting relationships based on respecting and contributing to the wellbeing of all our stakeholders.

For nearly 60 years, OTE has been actively engaged in social and community initiatives in the Attica area and other regions. In the past two years however, OTE has embarked on a new approach to CSR; one that ceases to exist as a separate sum of charitable activities and becomes an umbrella theme that covers the totality of the company’s actions laying emphasis on CSR activities that are directly related to the company’s business.

We recognize that having a strong set of CSR values, policies and programs enhances long-term profitability and shareholder value.

The aim of the “Building ties” framework is to integrate CSR into our business planning and the way we carry out our day-to-day business operations.

- Making a difference in the marketplace by using our unique capabilities in technology and infrastructure to benefit consumers and to bridge the broadband gap that holds back our society and economy from further progress.
- Taking care of our people by developing a spirit of partnership and mutual support, encouraging career development and the wellbeing of employees.
- Minimizing our impact on the environment by becoming a greener company and helping our customers use technology to reduce their environmental impact.
- Partnering with society by being a social partner for Greece and the region, supporting citizens and enabling the continuous development and prosperity of our communities.

Going forward, we are committed to broadening and systematizing our “Building ties” CSR program practices, as well as following and recording the results of the program so that it is constantly adjusted and improved.

OTE will also continue the work begun in 2006 to align the parameters of our CSR performance and reporting to international standards, including the GRI G3 Sustainability Reporting Guidelines.

The CSR Committee

In 2006, OTE launched an inter-company CSR Committee to plan and guide the development of the company's CSR report. The overall responsibility for the Committee lies within OTE's Corporate Communications team. Overall commitment to CSR comes from the highest level of the Group's management and is passed on to the Executive Committee and to all General Directorates of the company. Under the coordination of the Corporate Communications team, the CSR Committee members represent all functions of the organization in order to ensure that CSR become an integrated, active component of our telecommunications services.

The committee plays an important role in the leadership, development and review of the company's CSR strategy and performance. It aims to cultivate a culture of CSR throughout the company and ensures that this is communicated at all levels.

In 2006, CSR team members undertook a two-day training program on CSR Management Systems and reviewed CSR performance under the scope of internationally established standards. The Corporate Communications Direction held regular meetings in order to collect and organize the materials for CSR reporting.

OTE also developed a new section on CSR for the company intranet, Infoweb.

In addition to getting employees more involved in the CSR process, one of our goals for 2007 is to maximize the use of the intranet as a means of spreading information and educating our staff.

OTE seeks to broaden its CSR knowledge and views by engaging in the exchange of best practices at the national level as a member of the Hellenic Network for CSR and at the European level as a member of the European Telecommunications Network Operators' Association (ETNO).

The CSR section of OTE's website at <http://www.ote.gr>, contains further information on our approach and initiatives, as well as PDF versions of our CSR reports.

Stakeholder engagement

We value dialogue and feedback from our stakeholders to help us develop our strategic approach to CSR and to build partnerships that enable us to continuously improve our performance and results.

Customers

We believe that reaching out to customers directly is the best way to ensure we provide them with what they need and improve the quality of our services.

We use a range of tools, including customer surveys, in-store exit interviews and the OTE 'Customer Satisfaction and Loyalty Barometer' to gather regular feedback from our customers and integrate it into operational planning and service delivery, including product and service development as well as employee training.

Employees

Engaging with our people is a key priority for OTE. We do this through a variety of communication channels and tools such as our intranet, regular meetings, educational sessions, official memos, e-mails and news releases. By using this multi-channel approach, we aim to enhance dialogue and communication with our employees on their concerns and issues of interest and encourage cooperation.

Trade unions

OTE maintains good relationships with all relevant Trade Unions. Employee representatives from these unions participate in decisions that regulate employment terms in areas such as salary, leave of absence, transfers and training. Representatives also provide their input on any amendments to the Internal Company Employment Regulations.

Suppliers

Co-operation with various suppliers is important and plays a critical role in enabling OTE to provide high-quality products and services. OTE collects, filters and evaluates feedback from suppliers on a regular basis in order to better meet their expectations and needs. Furthermore, OTE holds meetings with suppliers in order to exchange views on matters such as new technologies, materials and methods of production.

Investors

OTE maintains good dialogue with investors based on our commitment to transparency for our business plans and results. Our shareholder base is geographically widespread, and we are proactive in our engagement with them through regular meetings, roadshows and by responding to enquiries. In the past year, we participated in over 400 investor meetings, mainly in financial capitals such as New York, Paris, Frankfurt, London, Amsterdam and Munich. Each year, OTE also attends 2-3 international conferences organized by investor banks, arranges 2-4 European roadshows and meets around 150 investors at its headquarters.

Government and policy engagement

OTE has a long-standing tradition of policy engagement. OTE is committed to collaborating effectively with bodies such as the National Regulatory Authority, the Ministry of Transport and Communication and the Ministry for Development on the issues of new technologies, broadband development and personal data protection. OTE abides to all applicable laws. In addition, we respond to public consultations and initiatives by relevant authorities. We interact regularly with European institutions and make sure they are fully briefed on areas of importance to the company. We are members of associations and bodies such as ETNO, ETSI, IETF and IEC and we engage with global intergovernmental agencies (such as ITU), pushing for fair trade and also competition for the benefit of consumers and business users.

Community consultation

In addition to conducting nationwide surveys, OTE's agents are on the field and in constant contact with customers and surrounding communities including local authorities, cultural institutions and NGOs. The feedback received is transferred to management and the necessary measures are taken to respond to the needs of the community. OTE maintains ongoing cooperation with a number of NGOs in the Attica area as well as other regions and with associations such as the Hellenic Consumer Association (EKATO). Feedback from them is also taken into account when planning and executing CSR and wider company strategy.

Media

OTE actively engages in dialogue with the media at national, regional and international levels. Through regular meetings with OTE management, interviews with OTE senior executives, numerous press releases (more than 115 in 2006), press conferences and daily responses to various enquiries, OTE's Corporate Communication Media Office aims to provide comprehensive information on all company activities in a transparent and consistent manner. In 2006, 126 written responses were sent to various media enquiries while proactive informative meetings were held with more than 40 media representatives.

CSR awards and recognition in 2006

OTE has received recognition for the organization's commitment to social responsibility. During year 2006, OTE received the following awards:

Athens Chamber of Commerce and Industry Awards:

In May 2006, OTE was given an award by the Athens Chamber of Commerce for its CSR program.

MEDA Communications "Awareness & Social Behavior Index" (ASBI):

OTE was placed second for its social contribution among 14 selected Greek companies.

"Reputation Balance 2006," Tradelink Reputation Research & Consultancy:

OTE was included in the list of the 20 'Champions of Good Reputation' in Greece and was chosen as the company with the best reputation in the work environment and through its CSR action in Greece.

OTE expenditures on CSR activities in 2006

Sponsorships - donations	€1,122,700.00
OTE Employee Cultural Centers	€250,000.00
Tele-voting fund-raising	€195,600.00
Technical infrastructure	€702,133.00
Choirs (Athens, Thessaloniki)	€250,000.00
Broadband Roadshow	€1,403,200.00
Employee vacation resorts	€2,200,000.00
Christmas donations	€220,000.00
Total	€6,343,633.00

Day 93







S1



Day 109

Making a difference in the Marketplace...

We believe in using our unique capabilities in technology and infrastructure to benefit consumers and communities in all the regions in which we operate.

Our priorities:

- Delivering quality services to customers and protecting them from personal information fraud.
- Bridging the broadband gap particularly in areas with low population density and providing basic telecommunications services for people with special needs.
- Working to streamline our procurement process and enhance our relationship with suppliers.

OTE's contribution to the economy

The Group's strong presence not only in Greece but also in Bulgaria, Serbia, Romania, FYROM and Albania through subsidiaries means that our economic contribution in South East Europe has a wide reach through the wealth and value we generate.

In addition, the telecommunication services we offer, stimulate the economy in a broader sense by enabling people, businesses and organizations to inter-connect and gather data more efficiently -hence strengthening their ability to contribute to the economy.

2006 payments for OTE and subsidiaries	Total (€mn)
Payroll and employee benefits	1,241.6
Income taxes	353.0
Payment to international operators	208.8
Payment to domestic operators	720.9
Procurement	330.0
Shareholder returns (including minority interest)	730.8

Serving customers

Customer service

Customer service is one of our key priorities since it plays a fundamental role in determining our success in an increasingly competitive and demanding business environment.

Service	Number of customers in Greece (at the end of 2006)
Fixed line	6,160,369
ADSL	487,799*
Mobile (Cosmote)	5,217,927

*Includes wholesale and retail sales

Customer interface in Greece:

- OTE provides advanced products and services to customers throughout Greece through numerous points of service, including shops, technical support, the customer service line 134 and online services available at www.oteshop.gr.
- Out of a workforce of approximately 5,000 on the retail side, some 2,000 agents interface with the customer directly in their daily work.

Map of Obligations towards Customers

Our approach to customer service is based on OTE's 'Map of Obligations towards Customers,' which was introduced in 1998. Emphasis is placed on the immediate servicing of customers, providing quality services at competitive prices and continuing to support those services and products post-sale. An important aspect of the policy is the procedures it establishes for complaint management and monitoring and in particular issues concerning bills.

Getting feedback from Customers – 'exit' interviews and our 'Satisfaction and Loyalty Barometer'

We conduct regular surveys to get customer feedback on our customer support and services, as well as those of competitors. Survey results guide us in our policies, employee training and in determining which types of new products or services to shift our organization towards. For in-store service, we organize 'exit' interviews outside OTESHOPS as customers leave. The same interviews are also conducted outside the stores of competitors to determine OTE strengths and weaknesses. In 2006, a total of 1,200 interviews were conducted outside 80 stores, including 30 OTESHOPS and 50 stores of competitors. In order to rate customer loyalty on services and products, OTE has created a 'Customer Satisfaction and Loyalty Barometer.' The survey, which has been running for the last two years, uses personal and telephone interviews to gather data among residential customers, key accounts, business customers and carriers.

In 2006, we interviewed over 10,000 residential customers and over 1,200 business customers.

Stores certification

OTE submitted OTESHOPS for certification by the Hellenic Organization for Standardization. In 2006, 61 OTESHOPS in major cities of regional Greece and 55 OTESHOPS in the Attica region received certification. Based on the requirements of the standard ELOT EN ISO 9001:2000, this certification ensures via regular evaluations that all shops offer the same high quality service.

Responding to customer service enquiries

OTE maintains a special system to receive customer enquiries and complaints as they arise. Call Centers provide immediate assistance to urgent and general enquiries, whether they are technical or related to billing and other issues.

In 2006, OTE responded to all filed customer enquiries.

Analysis of call center statistics and customer surveys show that the most frequent enquiries are related to:

- Fixing technical problems
- Activating and connecting services
- Bills

We take a proactive approach to addressing and reducing the incidence of complaints.

In 2006, we emphasized to all employees the importance of rapidly handling requests while providing customers with accurate information.

Information security and communications confidentiality

OTE follows strictly all national laws relevant to information security and confidentiality.

The company actively cooperates with the state and independent regulatory authorities to ensure the most effective protection of customer and national interests.

Some of OTE's activities in this area include:

- Investing in the use of the latest technical and organizational tools, procedures and technology to ensure confidentiality in telecommunications.
- Raising awareness and educating both OTE employees and customers on the issues of information confidentiality and security in telecommunications, in order to reinforce customer protection.
- Acting as a founding member of the Hellenic Organization for Prevention of Telecommunications Fraud and participating in relevant international fora in this arena.
- Participating in public consultations to form legal and regulatory frameworks.
- Offering cooperation, support and experience to national authorities conducting investigations against electronic crime.
- Partnering with the General Secretariat of Civil Protection to provide the "112" pan-european emergency call line and being committed to offering services and support in situations of national emergency in Greece.
- Sponsoring a series of relevant conferences and initiatives in Greece.

Bridging the broadband gap

Since 2005, bridging the broadband gap in Greece has been one of the country's key national priorities. For OTE, it constitutes not only a key strategic business priority but also one of the most challenging projects the company has taken on.

This is in light of the country's unique geography – composed of thousands of islands and numerous low population density areas with small populations – and because of the need to build and improve public awareness and education in new technologies.

OTE activities aimed at bridging the broadband gap are developed through three main pillars:

- Building up the necessary infrastructure – including in areas of low population density – to enable citizens to use telecommunications and in particular broadband services.
- Educating customers about the benefits of new technologies.
- Enabling groups with special needs to enjoy the same services as the rest of the society.

Building up network and broadband infrastructure

Currently, OTE is the only provider in Greece that is systematically realizing investments in all of Greece's geographic territory – from the most built up cities to the farthest rural areas – both in terms of broadband network and related support systems. Specifically, for the period 2004-2006, OTE's investment in network and infrastructure exceeded € 750 million.

Network rollout

In 2006, within just one year, we surpassed our business targets by tripling our ADSL connections through infrastructure development, making Greece the fastest growing country in the world in terms of broadband lines.

€750,000,000

investment in network and infrastructure

Exponential expansion of OTE network and broadband in Greece:

- OTE will invest € 900 million in its network and broadband between 2006-2008.
- By the end of 2006, OTE successfully achieved its goal of increasing broadband penetration in Greece to a total of 500,000 ADSL connections.
- ADSL connections saw a 238% increase, in effect tripling the total number from 2005.
- At the end of 2006, points of presence (PoPs) of broadband connections corresponded to 92% of telephone connections – covering the majority of Greek territory.

Percentage growth in ADSL penetration since 2004, measured up against:

	End of 2004	End of 2005	End of 2006
Population	0.4%	1.5%	4.7%
Households	1.2%	4.1%	13.8%
Telephone lines	0.8%	2.9%	9.4%

OTE has applied special emphasis to broadband penetration in isolated areas.

Some of the most remote regions where we have expanded our network include:

- Epirus, one of the poorest regions in Europe, where we installed 89 PoPs;
- The regions of Northern Greece, where we installed 85 PoPs;
- The regions of the North Aegean, where we installed 43 PoPs.

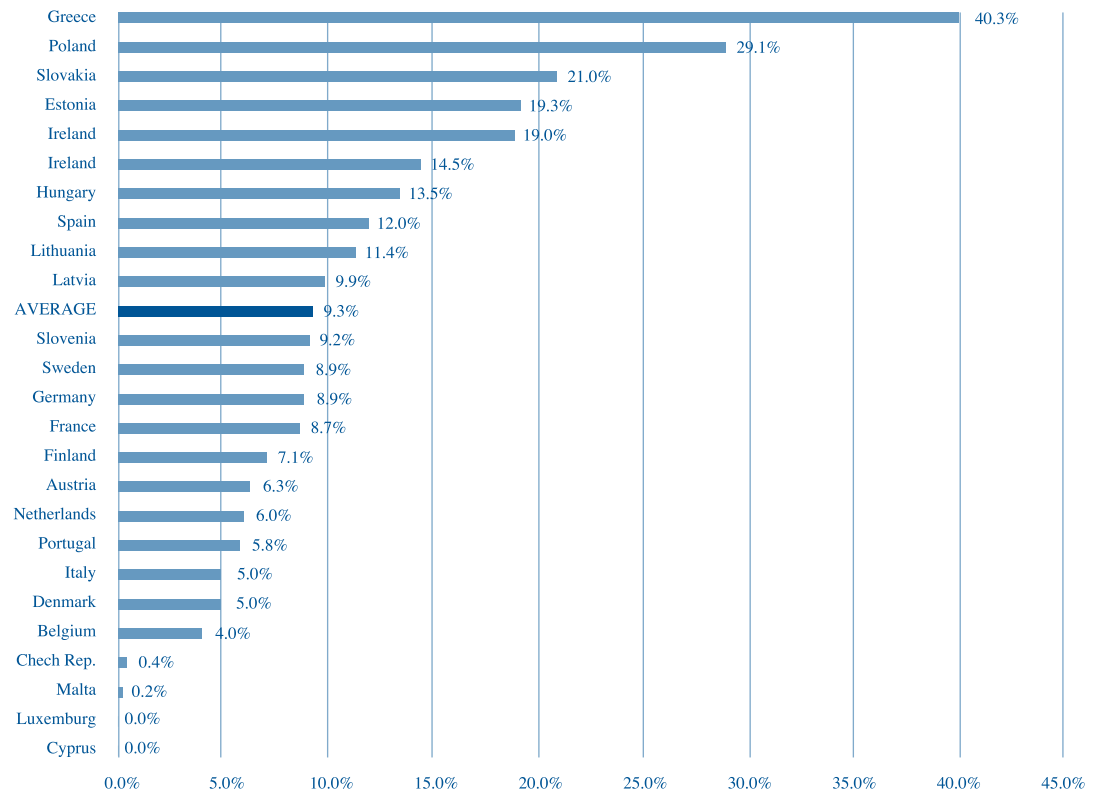
	2004	2005	2006
Broadband connections	43,330	150,325	512,434
Attica	25,975	87,126	274,366
Regions	17,355	63,199	238,068

Growth of broadband lines in Europe (%)

Source: ECTA/Website

Optimization.com

Greece, Poland, Slovakia, Estonia, Ireland, UK, Hungary, Spain, Lithuania, Latvia, AVERAGE, Slovenia, Sweden, Germany, France, Finland, Austria, Netherlands, Portugal, Italy, Denmark, Belgium, Czech rep., Malta, Luxemburg, Cyprus



KEY- PoPs for OTE's Broadband Network

Blue: End of 2005
Green: End of 2006
Red: End of 2007



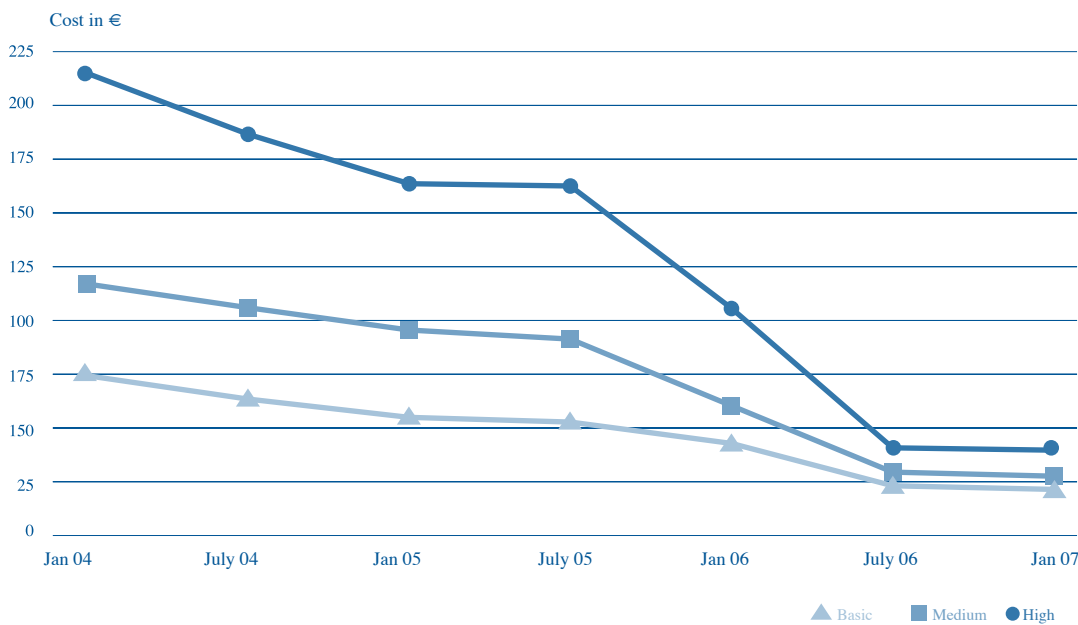
ADSL speed upgrading

Part of our strategy to build up broadband includes upgrading our network and offering faster ADSL access. In 2006 we doubled access speeds in all areas for free, offering greater value to end-users.

Cost reductions

Along with doubling access speeds, we have in 2006 significantly reduced connection prices for customers, making the service more easily available to all groups in society.

Average customer cost of a broadband connection (January 2004 – January 2007)



Exploiting the opportunities new technologies offer, OTE is investing in wireless broadband access. The first two WiMAX bases are already functioning in Athens on a pilot-program basis.

WiMAX, WiFi and SYZEFXIS

In 2006, OTE also introduced WiFi Hotspots, which give companies the possibility to offer clients wireless access to the Internet via their laptops or PDAs.

At the beginning of 2006, a phased program called “Syzeffixis” (Inter-Connections) was launched by the National Public Management Network to turn “public administration into one neighborhood”.

A large part of the project – aiming to interconnect public entities at very high speeds – was undertaken by OTE.

Educating citizens on the benefits of broadband

Raising awareness and educating citizens on the uses of technology allows for its full utilization and benefits to be realized. In 2006, we initiated several campaigns to showcase broadband through 'hands on' experience for first time users.

Nationwide Roadshow – 'OTE on the Broadband'

OTE developed a technological mobile information unit entitled 'OTE on the Broadband' to acquaint and familiarize the general public especially in regional Greece with high speed broadband internet. Under the key message 'make your life easier' the mobile unit was launched in July 2006. Following the successful visit of 16 cities in 2006, 'OTE on the Broadband' is planned to tour 17 more cities in 2007, informing visitors on the benefits of the Internet and giving them the opportunity to try out broadband applications.

Internet corners in OTESHOPS

In a similar program, we have also begun to install in November 2006 special Internet corners in selected OTESHOPS, to enable potential customers to sample our services in-store and experience ADSL first hand.

Free broadband for the young – 'conn-x'

With a view to raising broadband awareness among students, in 2006 OTE launched a 'conn-x' package free of charge for students with excellent performance in their studies. The promotional program targeted approximately 4,500 students. The package includes an ADSL connection with unlimited data transfer, free activation, a free USB modem and technical support by OTENET.

Providing telecommunications services for people with special needs

Providing telecommunication services for vulnerable social groups.

In order to offer telecom services to all, OTE implements programs targeted at special groups.

65+ Discounts for the elderly

OTE has launched a scheme called 65+ that provides reductions on telephone bills for pensioners.

OTEALERT

Emergency alarm handsets and line

Since 2001, we offer a special 24-hour service for people who may need to call for help in an emergency or require help and constant care.

OTEALERT is a service offered at low cost to people in need, especially socially isolated groups such as the elderly.

18855

Special handsets and line for the hearing impaired

OTE provides special handsets for people with hearing problems and text phones, which include a keypad and a small screen to enable text conversations. In addition, the 18855 line provides services to people with hearing problems since 2000, via the OTE Call Center.

Public payphones with handicap access:

Since 2000, OTE has installed 19,000 new public payphones equipped with special access for the disabled.

Sustainability in our supply chain

As a service provider, OTE does not maintain production facilities and thus purchases all of its equipment from third parties.

Moving towards the implementation of sustainability in our supply chain is crucial to us. We are making great strides to ensure we are able to monitor and choose who we work with, as well as enhance our relationship with suppliers.

Procurement policy

We evaluate suppliers based on a list of indicative criteria which includes suppliers' social and environmental policies, such as their Certificate of Environmental Management system (ISO 14001), use of approved raw materials, employee health & safety, code of conduct and system of Social Responsibility Management (SA 8000).

Controls are conducted by special inter-service OTE procurement teams which collect the necessary information from suppliers and evaluate it in the framework of each tender. OTE's procurement team believes in giving all suppliers an equal chance to meet its criteria. As such, we work with local companies to help them meet our procurement demands.

In 2006, we initiated the drafting of a new procurement policy. The emphasis of the new policy will be to streamline the procurement process and empower people who make supply chain decisions. The new policy will be presented to OTE's Board of Directors in June 2007.

Working with suppliers

Our relationship with suppliers is crucial to us, since they provide all the necessary equipment for our services. In the past, suppliers had in several instances expressed that the terms of our agreements could be improved. In response to these concerns as well as taking into account other parameters, since 2004, OTE put in place a mechanism to review its cooperation with partners at all levels of the supply chain.

This has enabled us to identify areas for improvement, in particular through contract drafting and allowed us to address these issues in 2006. The changes were very effective, especially in the second half of the year and the number of complaints by suppliers decreased significantly.

Day 157









Day 173

Taking care of our People...

We seek to develop a spirit of partnership and mutual support, encouraging career development and the wellbeing of our employees.

Our priorities:

- Managing our employee restructuring program.
- Communicating with our people and promoting an equal opportunities policy.
- Promoting a wide range of benefits to ensure employee welfare.
- Offering training and rewards programs that enable life-long learning.

Managing our restructuring plan

In July 2005, we began implementation of a restructuring plan aimed at increasing our flexibility to respond to our customers' needs, reducing our operational costs and simplifying our operations in an increasingly challenging business environment.

Voluntary retirement scheme

The 2005 restructuring plan led to the important decision to initiate a major change in our employee structure and reduce headcount significantly in order to maintain our viability and sustainability over time.

The 'Voluntary Retirement Scheme' offered employees the option of retiring early – on a voluntary basis – without losing any benefits from their pensions.

Recruiting and retaining talent

Following the retirement scheme and in order to facilitate the adaptation of the remaining employees to the new structure, OTE hired 1,235 new employees prior to the end of 2006 and intensified employee training.

We are committed to recruiting personnel with advanced, specialized and technical knowledge to meet our technology and innovation needs.

Following a benchmarking survey, we have implemented a scheme to converge and simplify our compensation arrangements to ensure all employees are paid a fair market wage and receive further performance incentives.

At the end of 2006, employee statistics were as follows:

Employees (end of 2006)	Total	%	Employees (end of 2006)	Total	%
Total employee number	11,755		By job sector		
By gender			Specialist (expert)	298	3%
Men	8,489	72%	Commercial –Management	3,409	29%
Women	3,266	28%	Financial	653	6%
By age and years of service			Technical	6,551	55%
Men	Average age	45.08	Support	752	6%
	Average years of service	20.28	Other	92	1%
Men	Average age	42.09	By position of responsibility		
	Average years of service	16.73	Director level	35	
By education level			Sub-Director level	176	
University	1,679	14%	Department level	875	
Polytechnic	2,272	19%	Total	1,086	
Secondary	6,999	60%	Turnover and voluntary retirement departures		
Basic	805	7%	Hired	1,235	
			Retired	161	
			Voluntary Retirement (2006)	4,060*	
			Non-permanent employees with contracts of specific time	1,541	

* 2006 figure

Internal communications and equal opportunities

Internal communications

OTE is committed to enhancing internal communications by providing employees with the most updated information regarding the organization. Through ongoing internal research, OTE identifies and evaluates employees' concerns and responds accordingly.

Our internal communication approach includes the use of various channels such as official e-mails from the CEO and management team, face-to face meetings, corporate literature and videos and our intranet "Infoweb."

In 2006, the average number of daily users for this internal site reached 6,500 employees throughout Greece. Since 2006, OTE has been working on the development of a new intranet site application to be launched in 2007.

The new intranet site aims to further enhance internal communication processes, as well as to serve as an integral tool for information access to all employees. New system features will also be developed in order to facilitate exchange of know-how, views and feedback mechanisms.

Equal opportunities

Local hiring: In hiring new employees in 2006, OTE set the goal of encouraging local residents of the cities where the positions were offered to apply. By establishing a points system connected to this factor, permanent local inhabitants had considerable advantages over other candidates.

Female employees: From 2001 to 2006, OTE has encouraged the growth of the number of female employees especially in senior management positions. The numbers reflect social changes in Greece and the Group's active efforts to further support women.

Position	2001		2005		2006	
	Men	Women	Men	Women	Men	Women
General & Deputy Directions	10	-	12	4	11	4
Direction	47	1	26	2	22	2
Sub-Direction	181	12	175	13	147	17
Department	879	65	704	116	651	190
Total by sex	1,117	78	917	135	831	213
Total	1,195		1,052		1,044	

People with special needs:

OTE currently employs 1,610 people with special needs including disabled people, people with many children and young adults of large families.

This represents 12% of the total workforce and exceeds the 8% required by Greek law (2643/98).

Employees' wellbeing and benefits

OTE offers a wide range of benefits – beyond what is required by national legislation – aimed at improving the standard of living of employees and their families and supporting them in times of need.

Mutual benefit fund: Since 2002, the company's Mutual Benefit Fund offers additional financial support to employees in times of sickness, to compensate them beyond what is provided by the OTE Personnel Insurance Fund (TAP-OTE), as well as maternity and in- vitro fertilization allowances. The Fund also provides a monthly allowance to employee children with special needs who are not in a position to work.

Supplementary insurance policies: Since January 2002, additional insurance benefits are offered to employees through a private insurance company. These cover medical/hospital costs as well as life insurance.

Youth fund and childcare allowance: OTE's Youth Fund provides lump sum payments to help employee children financially during their studies, vocational rehabilitation and marriage. Through our childcare allowance program, we also give a monthly allowance to working parents for childcare expenses, in particular day care and nursery schools.

Special leaves of absence: Special leaves of absence and lump sum payments are provided in specific instances, including for maternity, marriage, blood donations, and parental compassionate leave.

Personal loans and advance payments: Personal loans to employees, in difficult or emergency situations, are available on favorable terms. It is also possible for employees to get a one month advance payment to cope with health problems or unforeseen emergency situations, such as earthquakes.

Health and safety

OTE maintains a health and safety management system that is aligned with the ELOT 1801:2002 standards. Some of the key components of the system include the presence of designated medical areas and trained staff in OTE buildings to deal with emergencies. Others include the respect for health and safety and technical guidelines throughout our buildings and work environment.

Doctors and safety specialists regularly visit OTE for information sessions. In 2006, we published and distributed two versions of our own Health and Safety brochure, one for technicians and one for all other employees.

Dealing with emergencies:

Additionally, OTE offers “1419” Lifeline for emergencies in OTE Athens Headquarters, where around 2,000 of our employees are based. OTE owns an ambulance stationed at the Athens Headquarters for the needs of employees.

Recreational activities

We promote a spirit of partnership with employees by supporting recreational and leisure activities outside of the workplace.

Affordable vacations for all:

The OTE Personnel Vacation Club (OPAKE-OTE) offers affordable vacations to employees through its two resorts and subsidized hotel packages. Some 47,000 OTE Group employees and pensioners are members of the club.

OTE personnel cultural clubs:

OTE financially supports 54 Personnel Cultural Clubs throughout Greece focusing on arts, entertainment and sports activities open to all OTE Group employees. In 2006, the clubs counted a total number of 20,000 members, including employee families and pensioners.

OTE choir:

The OTE Choir was founded in 1968 and it has performed in hundreds of concerts, both nationwide and abroad. It has been awarded many international distinctions.

Training and rewards programs

OTEAcademy

In order to provide the highest standards and most up-to-date training for employees, OTE created a new subsidiary in 2005, called OTEAcademy. OTEAcademy's primary function is to supply professional training and establish academic standards with particular emphasis on communication technologies. It also offers commercial training services to the wider public and private sector.

In 2006, a total of 72,223 hours of training were recorded amongst OTE employees, placing the average amount of training received per employee annually at 6.3 hours.

The types of training most provided in 2006 included:

- Customer service training (program began in 2006)
- New technologies training (especially broadband)
- Financial training

Emphasis on new technologies competences and training

During 2006, the training program focused mainly on further developing competencies that are related to new technologies. Between 2004 and 2006, OTE run a total of 7,000 training programs for technical / technological personnel. In 2006, 284 training seminars were held accounting for 6,457 hours of training.

OTE's General Department of Technology participated in a e-learning program, titled 'Discovery Space', which received an award from the EU Commission as the best training program of November 2006.

Employee rewards

In order to motivate our employees to improve their performance, OTE has initiated a financial incentives reward system, which includes the following:

- Additional rewards through project management procedures.
- Performance bonus for achievement of preset goals.

Financial benefits are also granted to employees for acquiring foreign language diplomas, university degrees, as well as for their children who excel at school. During 2006, 13 prizes were awarded for foreign languages and 3 for university degrees.

Day 195









Day 211

Minimizing our impact on the Environment...

Whilst telecommunications is a more environmentally friendly industry than many, we recognize that as a major company it is our responsibility to consistently work towards the reduction of our environmental impact and to encourage our customers and employees to do the same.

Our priorities:

- Enabling our business customers and employees to reduce their environmental impact.
- Reducing our own energy consumption by using renewable and low carbon technology.
- Promoting the reduction and recycling of waste in our operations.

We have always fully complied with all legal obligations concerning the environment.

As we continue to deepen our CSR commitments, our focus will be on how we can further build on existing programs to integrate environmental initiatives into our operations (ELOT EN ISO 14001: 2004).

Reducing impact from transportation

To help reduce employee impact on the environment and particularly atmospheric pollution in Athens, we provide transportation for 1,000 employees to and from the OTE Headquarters and the Parnitha Warehouses via 22 coaches on a daily basis. In 2006, OTE also replaced all of its old technology vehicles.

The vehicles currently used by the Group pass inspections and receive an emissions certification once or twice a year. Furthermore, in 2006 OTE bought 25 new and more environmentally friendly trucks, replacing its old fleet.

Lowering energy consumption

In order to reduce energy consumption in our buildings and stations, we have replaced our traditional heating systems with natural gas systems in the cities of Thessaloniki and Larissa. Ongoing studies are taking place to replace the systems of Attica as well.

Existing traditional heating systems in place are regularly measured and tested in order to control and adjust their emissions to the lowest possible levels. Existing traditional heating systems in place are regularly measured and tested in order to control and adjust their emissions to the lowest possible levels.

In addition, in 2006 OTE installed a semi-central air conditioning system of high performance (VRV) in our Athens headquarters, which eliminates water consumption, reduces energy consumption by half and adds flexibility to the system management.

OTE has embarked on the route of using renewable energy sources, particularly solar energy. Since 1994 OTE has installed on low population density areas and islands almost 200 photovoltaic fuel cell systems to power rural subscriber radio system repeaters, which provide telephone services in rural areas.

Promoting waste reduction and recycling

OTE maintains a waste management policy, which is based on the criteria of the Greek Environment Ministry and implemented by our Procurement Department. This policy ensures that we apply the appropriate measures to prevent pollution and limit our impact on the environment. Waste materials we produce are collected by specially certified bodies that manage their transfer to specific areas for waste management. We recycle all our used materials – such as copper, bronze, rubber, steel and wood – by reselling them to authorized companies. OTE’s recycling strategy places particular emphasis on the reduction of paper use and the enforcement of paper recycling processes. Towards this direction, OTE aims to educate employees to switch to electronic communication, storage and filing systems. New intranet capabilities are also being developed to enable further ease of use of electronic tools.

In 2006 alone, OTE recycled 250 tons of paper only in the Attica area (compared to 280 tons in 2005 when more paper was used), of which about 3 tons per month were donated to the non-governmental organization KLIMAKA, which reuses some of the paper and recycles the rest using these revenues to meet members’ needs.

In addition, in the second semester of 2006 we recycled around 500 kilos of batteries. OTE also placed special bins in OTESHOPS and places of work. At the end of 2006 we launched an effort to recycle telecommunication appliances and equipment collected from various settings, including 110 OTESHOPS. The program is at an initial phase and will be further developed.

Supporting environmental Non-Governmental Organizations

OTE supports the activities of Philodasiki Society of Athens - Environmental and Cultural Society - which focuses on protecting and improving the Ymittos forest. Additional support is provided to the Hellenic Society for the Protection of the Environment and Cultural Heritage.

In 2006, OTE also supported the Conference “Amazon: A Source of Life” aimed at promoting cooperation between religion and science for saving the environment.

Day 221









Day 245

Partnering with Society...

OTE's role as a "social partner" contributes towards the well-being and continuous development of the country.

Our priorities:

- Helping children with special needs and vulnerable groups.
- Encouraging a culture of volunteering among OTE employees.
- Advancing research in technology and innovation throughout society and among the younger generation.
- Preserving Greek cultural heritage.

Giving back to the community is a top priority for OTE at all levels of operation. Through expanding our CSR program, we emphasize the organization's role as a social partner for Greece. The budget of our 2006 CSR program underlines OTE's commitment. Although donations are only part of OTE's full CSR plan, in 2006 we donated approximately € 2.3 million to non-profit organizations, foundations and other institutions or groups.

Helping children and vulnerable groups

Supporting children in need

Through social marketing and sponsorships, OTE is one of the most active and major supporters of organizations that act towards the protection and well-being of children in Greece.

Christmas donations

For the past four years and every Christmas, OTE donates part of the organization's seasonal revenues to charity and non profit organizations. Through calls to the '11888' information directory number, OTE collected and donated € 220,000 to the following charities: "The Child's Smile", 'MDA Hellas Society' and "Together for the Child". Since 2003, OTE has donated in total over € 1 million to various organizations and charities through the above-mentioned program.

Further support initiatives that were implemented during 2006 include:

The Child's Smile

OTE has supported the NGO since 1997 by providing free telecommunications infrastructure and covering the operation cost of the society's helpline "1056" which responds to calls regarding children suffering abuse and missing children. In 2006, the total number of calls made to the Child Line was 285,082, made by children, parents and specialists in this area.

MDA HELLAS Society (Muscular Dystrophy Association)

Our relationship with MDA Hellas goes back to 2003. In 2006 we focused on supporting the purchase of heart-ultrasound equipment to cover the needs of the special clinic of "Agia Sofia" Children's Hospital.

Cerebral Palsy (CP) Society

OTE provides financial support for the transport and special care of 35 children suffering from CP. In 2006, OTE supported a charity concert whose proceeds were donated to the Society.

Friends of the Child

The Friends of the Child organization offers material and moral support to children facing health problems, as well as consultation support to single mothers. In 2006 OTE's sponsorship ensured the support of 40 underprivileged families and the purchase of heaters for 22 families. The Friends of Children organization offers material and moral support to children facing health problems, as well as consultation support to single mothers. In 2006 OTE's sponsorship ensured the support of 40 underprivileged families and the purchase of heaters for 22 families.

The Thessaloniki Association for Anemia Sufferers and Parents with Children Suffering from Anemia

In 2006, OTE sponsored a charity concert in support of the activities of the Thessaloniki Association to help families with members who suffer from anemia.

OTE supports the Association of OTE Employees & Pensioners, who have children with special needs (S.E.SO.E.P)

In 2006 OTE continued to support the Association and its programs, as it has been doing for more than 10 consecutive years.

The Hellenic Society for Disabled Children (ELEPAP)

By supporting the ELEPAP activities for disabled children, OTE participated in the materialization of the Program of 'Musicotherapy', an alternative and innovative way to communicate with the children.

PNOI – Friends of Children in Intensive Care

OTE participated in the action program of the Union by covering the cost of 2 monitors for newborns at the Intensive Care for the Clinic of the Ioannina University Hospital.

Association of the Psychosocial Health of Children and Adolescents

OTE supported the activities of the Society by sponsoring the launch of a telephone line providing mental health advice.

Supporting vulnerable groups

OTE offers support to charities and non-profit organizations that work towards ensuring a better living for people in need.

OTE has embraced tele-voting fundraising as a means of maximizing donation collection for vulnerable social groups. In 2006, OTE participated in a number of such fundraising activities mainly organized by Greek television channels, charities and NGOs, by offering a total of € 195,600.

Other NGO activities dedicated to serving the socially vulnerable which are supported by OTE in 2006 include:

The Food Bank-Foundation Against Hunger

OTE financially supports the important work carried out by the Foundation, which aims at fighting hunger and limiting waste. In 2006, OTE's donations were used for the needs of around 4,000 people who live in poverty in 50 support centers in the area of Attica.

Médecins du Monde

OTE supported the NGO in particular through the program "Open Multi-Clinics" in Athens and Thessaloniki that helps more than 15,000 people annually.

"E-Isotis"

(Information Society Open to Impairment)

In 2006, OTE financed the development and maintenance of an internet portal, easily accessible and specially designed for impaired people, materialized through collaboration with e-isotis, an NGO active in the sphere of education and professional training of people with special needs.

Campaign for Drug Prevention and Awareness

OTE participated as a sponsor to programs aiming to educate and sensitize young people on drug issues organized by the Youth Office in the Thessaloniki Prefecture.

Reception Center for the Homeless in Athens

During 2006, OTE sponsored an event whose profits were distributed to the Center for Feeding the Homeless in Athens.

Hellenic Cancer Society

OTE contributed to the purchase of digital equipment which will help early diagnosis of breast cancer.

KLIMAKA

OTE broadened its three-year relationship with this NGO that helps people with mental illnesses by supporting a program including a help line for the prevention of suicide.

Société de Psychiatrie Sociale et de Santé Mentale

OTE upholds the development of the society's program for supporting cancer patients.

Encouraging voluntary work

OTE has a long record of helping society in a variety of ways, most notably by encouraging voluntary work. We believe that community initiatives work best when members of our organization become personally involved and support our vision to give back to our environment.

Pioneers in employee blood donation

OTE's flagship voluntary program, in place since 1976, encourages voluntary blood donations by OTE employees to address an important medical need in Greece. Today, the number of blood donors in OTE is around 3,000 throughout Greece.

Group blood donations take place twice a year, in autumn and spring, at OTE buildings around Athens and in nearly fifty locations throughout the country, sending a message of compassion and solidarity from OTE employees.

In 2006, nearly 1,592 units of blood were collected in the Attica area, 1,106 of which were donated to cooperating hospitals and 486 were made available to cover the needs of employees and their relatives. For this important program, OTE has many times been awarded with state distinctions from bodies such as the Greek Ministry of Health and Welfare.

3,000 blood donors

Promoting interest and research in technology

As a telecommunications company, we believe in working with the academic community and technological organizations to promote the further development of technology and cultivate the public's interest in the field of telecommunications.

Focus on telecommunications

The OTE Museum

Founded in 1990, the OTE Museum of Telecommunications focuses on the research, study and documentation, as well as on the preservation and display of objects and images pertaining to the evolution of telecommunications technology. The Museum is a member of the International Committee for the Conservation of the Industrial Heritage. Entry is offered for free to schoolchildren who are the main audience of the Museum.

Paving the way for a career in telecommunications

With the aim of encouraging young people to join our growing industry, we maintain strong links with public vocational and technological institutes, as well as workforce employment exchange training schools, to welcome students looking to complete their telecommunications training in the workplace. In 2006, 686 students were trained in various OTE departments.

Every year, we also recruit students to work for OTE on a part-time 3-hour a day, eight-month basis, to cover the needs of the OTE Call Centers in Athens, Thessaloniki, Patra and Heraklio and provide financial support for young people during their studies. In 2006, 2,520 students were employed under this scheme.

Equipping students and supporting education

OTE supports the National Network for Research and Technology by offering an optical fiber connection between OTE and the National Network worth € 523,233 per year. This connection is used to provide ADSL internet access to all students through the student internet program called “Diodos.”

In 2006, we launched a program of collection and re-distribution of used PCs and other technical equipment to 11 schools and non-profit organizations with the aim of making technology further available for young and socially vulnerable groups. The Corporate Communications team coordinated OTE departments that were responsible for gathering their used equipment, including computers, printers, and faxes.

The equipment was checked and updated by technicians, before being donated to selected institutions most in need. OTE has decided to continue enhancing this donation program in the coming years.

From 2006 and for the next two years, OTE is providing technical support for maximum internet speeds to be made available to the American Farm School of Thessaloniki. OTE also offers technical support to transmit an internet student competition called “Lysias” – through a tele-conference.

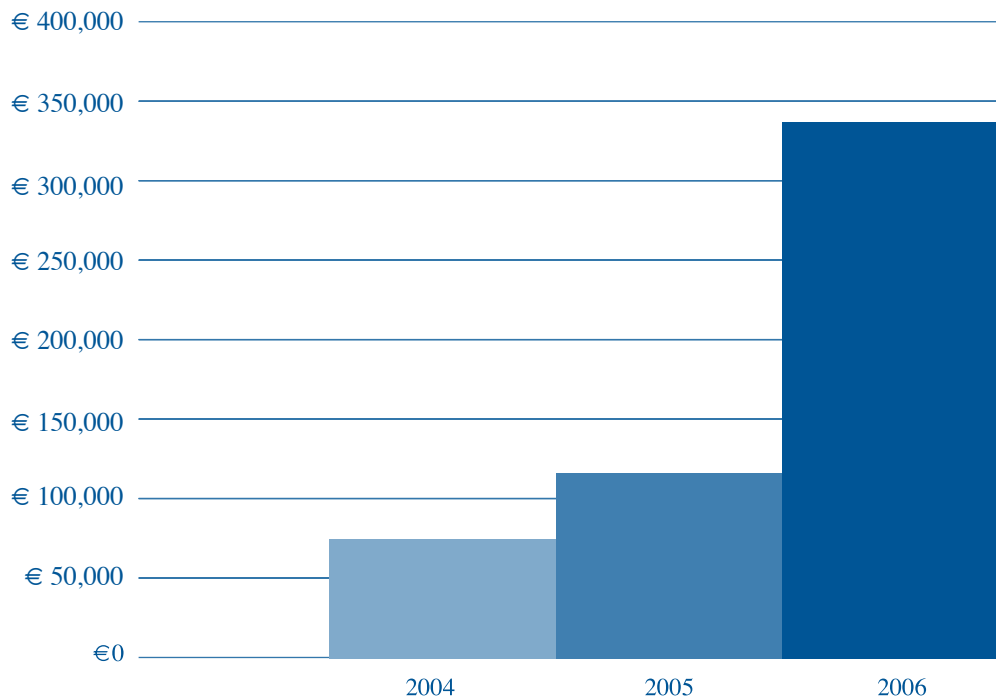
Participation in research programs

Throughout the year, OTE takes part in various research programs and related projects developed at the European and international levels primarily under the supervision of the European Commission and at the national level by Greek Ministries.

In 2006, 60 OTE employees participated in 9 research projects. The research focused mainly on the evaluation of new technology solutions at the network-infrastructure levels and/or specific service-related applications, together with the identification and analysis of basic commercial and regulatory issues.

OTE is also a member of the European Institute for Research and Strategic Studies in Telecommunications (Eurescom), the largest telecommunications organization in Europe at the forefront of research in the telecommunications sectors and in advanced applications of electronic communications.

RESEARCH-EDUCATION-TECHNOLOGY- CONFERENCES 2004-2005-2006



Sponsorships

In addition to research projects, we participate in a wide array of conferences that relate to technology, telecommunications and training.

In 2006, OTE contributed over € 300,000 to such activities – triple the amount of the previous year.

Examples of key sponsorships activities in 2006 include:

- the 45th Annual Conference of the Federation of Telecommunications Engineers of the European Union (FITCE), entitled “Telecom Wars: The Return of Profit”, held in Athens.
- the National Technical University of Athens, which took place in February 2006. OTE and OTENET participated in the conference under the title ‘Digital Knowledge and Prosperity,’ which focused on Broadband Network development.

In addition, OTE and OTENET were the main sponsors of the 2006 DTE – Digital Technology Expo 2006, presenting their innovative products and services, based on customer needs with an emphasis on broadband solutions.

Preserving greek cultural heritage through sponsorships

OTE is a strong supporter of the preservation of Greek cultural heritage, based on the organization's feeling of responsibility as an active corporate citizen and due to a warm response from the public.

Every year, we dedicate an important portion of our sponsorship funds to activities that promote the flourishing of our rich heritage both in the cities and the different regions of Greece.

Benaki Museum

OTE participated in the digitalization program of the museum's collections and the preparation of this material for their presentation on the internet.

Hellenic Literary and Historical Archive

OTE supported the mission of the Archive, which is responsible for the writing and preservation of the national cultural heritage of modern Greece, contributing to the promotion of humanitarian studies.

Over the past 25 years, the Archive has collected valuable material, which would have otherwise been lost forever.

Union for the Spread of the National Music «Simon Karras»

For a second consecutive year, OTE supported the publishing work of the Union contributing to the spread of traditional national music.

Supporting cultural initiatives in the Greek regions

- **Photosynkyria 2006**
From February to April 2006, OTE and COSMOTE sponsored the 18th International Photography Festival «Photosynkyria 2006», which took place in Thessaloniki.
- The Simi island Festival
- The International Folklore Festival of Lefkada island
- The International Festival of Aigina island
- The Eleftheria celebrations at Thrace
- The 6th Religious Music Festival of Patmos island
- The Festival of the Old City of Xanthi
- The Festival of Tinos island
- The Nestos Festival

Day 304









Day 320

CSR in subsidiaries

For COSMOTE, CSR is a fundamental corporate principle that gradually embraces the totality of the company's operations through specific processes.

An important initiative towards this direction was the creation of a company CSR team at the beginning of 2006 with representatives from all the operational units of the company. The team had dual objectives: incorporation of CSR principles in all the basic sectors of the business and systematic sensitization of employees in social and environmental issues.

The double certification of COSMOTE by ISO 14001 and ISO 18000 for environmental management and health and safety systems in 2006 was of great importance. COSMOTE demonstrated in this way that securing the best working conditions is a top priority for the Hellenic company of mobile technology.

Through the application of modern management systems and competitive packages and remunerations, employees have the opportunity to develop their personal talents and professional skills.

As a company which actively pursues fruitful dialogue as a means of effective communication with its employees, COSMOTE in 2006 conducted a Survey of Employee Satisfaction, aiming to acquire a deeper understanding of the working environment and to trace the elements, which could further improve this environment and productivity.

COSMOTE's sensitivity as a company stretches beyond the family of its employees and embraces the whole of Greek society. Through a multi-dimensional CSR program called "Participation" COSMOTE, since the beginning of its operations has undertaken certain initiatives that aim to respond to the real needs of Greek society and to promote a better quality of life.

There are three pillars of action: a) education, b) health and social care and c) environment.

Education

Following the Olympic Sponsorship, and after two years of careful planning, the company started an innovative program called "Come to Sports", aiming to cultivate sports education for children and young people from 9 to 16 years of age. In 2006, more than 1,300 children in six municipalities of Attica participated in the program. "Come to Sports" hopes to cover the whole of the Attica region and expand further to peripheral regions. The COSMOTE Scholarship Institution, targeting first-year students from the regions, completed its first five years in 2006, covering 80% of the Greek regions through an offer of a total of 50 scholarships and 101 honorary awards.

Health and social care

Placing special emphasis on child protection by supporting the work of NGOs, COSMOTE continued for the 8th year to support the New Years SMS 'Institution of Love' through which part of the profits from SMS sent on New Years is offered to voluntary unions/organizations which protect children's health.

Parallel to this, COSMOTE participated for the 7th year as a sponsor in the campaigns of preventative Medicine of the “Open Arms” organization for children and adults from the frontiers region. Specifically, in 2006, more than 11,500 medical consultations took place. COSMOTE launched 2 new services for people with hearing and vision impairments. At the same time it supported the academic community by sponsoring the scientific research program SMARTEYES of the Aristotelion University of Thessaloniki, which is designed for the visually impaired.

Environment

In the Environment area, for the year 2006, the company primarily focused on the improvement of its internal operations and tried to reduce its impact on the environment. This was achieved through the application of a thorough environmental management system with active participation from all employees.

Additionally, in 2006, COSMOTE in cooperation with the Collective System of Alternative Management of Electronic and Electrical Equipment, pioneered the application of a Recycling Program of Mobile Phones and Accessories in its shops and building facilities throughout Greece. In 2006, a total of more than 500 kg of mobile phones and accessories were collected.

The mobilization of COSMOTE in the area of raising awareness and informing the public on the operation principles of mobile telephony but also on the responsible use of mobile phones was also significant. Within this framework, in 2006 the company started and continued the application of a thorough multilevel program on three axes:

- a) In collaboration with National Technical University of Athens COSMOTE materialized a targeted program of measuring electromagnetic fields on a 24 hour basis named “pedion24” through the placement of measuring devices in various parts of the country. The results of these measurements are published on the internet on www.pedion24.ntua.gr.
- b) Responsible and methodical flow of information for crucial audiences throughout Greece.
- c) Systematic responsiveness to requests for providing information and constant dialogue with local communities.

A final important highlight is COSMOTE’s initiative to develop a thorough Corporate Plan of Operational Continuity, regarding all the main functions of the Company, within the framework of applying its CSR principles.

The objective of this ambitious goal is to plan and execute all the necessary processes, which will allow the company to continue providing mobile telephony services to the public, in cases of unpredictable events.

For COSMOTE, social wellbeing and progress are inextricably linked to the growth and progress of the company. Given that communication is the driving force of social development, COSMOTE holds itself partly responsible for promoting communication and hence does its best to succeed in this mission.

OTENET launched the company's CSR activities in year 2004 with a program called: "OTENET. You and me together...", which focused on supporting charities and non-profit organizations that protect children in need.

In 2006, OTENET developed a multi-level CSR program, broadening the spectrum of the aforementioned program and including the following activities:

Innovation

OTENET designed and implemented a pan-hellenic innovation competition that promoted the use of Internet. Within this framework, the company offered a fixed amount of money for each and every participation in the competition for the purchase of technological equipment for the Laboratory of the Medical School of Athens which researches – through innovative methods – liver regeneration on a cell and molecular level.

Marketplace

- OTENET has formed a special pricing policy with reduced cost for the products/services used by people with special needs. In addition, OTENET offers a 50% discount for the web hosting services to all non-profit organizations.
- In co-operation with OTE, OTENET supported the state's initiative –DIODOS- by providing free connections to the Internet for students who excel in their academic performance.
- OTENET also offers the Security Kit service, which combines computer and email whilst protecting Young Internet users from unsuitable content.

Society

- During year 2006 and in co-operation with the non-profit organization, ARSIS, OTENET reached out to young people with a problematic past by creating and equipping a "meeting place" with modern technology (computers, internet, and projectors) in order to offer young individuals their space for entertainment, communication and creativity.
- 'Through the program, launched in year 2004 called: 'You and me together....for the child,' OTENET supported the Stoupathio Institution which hosts children with special needs, offering them lessons of Drama-therapy with a view to providing an alternative way of communication.

Culture

Some of the cultural activities supported by OTENET during 2006 include the Music Festival, the Artistic Group Aksana, the Festival of Argentinean Tango and the Goulandri Museum of Natural History – ‘Gaia Center.’

Environment

OTENET has been running a program for recycling paper in cooperation with the Marousi Municipality. In addition, during 2006, OTENET launched a program for ink recapping.

OTENET employees

In 2006, OTENET employees spent around 4,000 hours in training programs, which accord for 500 working days. The company also organized educational seminars for fire safety issues and Crisis /Emergency Management. OTENET offers its employees additional insurance through a Group Insurance Contract and provides additional benefits concerning employees’ children (eg. financial support for day care or nursery).

Research and education

- OTENET supported the Institute of Communication in its research efforts regarding “broadband penetration”.
- The company also supported Hellenic Society of Information Technology Scientists in its various educational conferences and events.
- Last but not least, OTENET participates in the organizing committee of the online pan-hellenic Student Competition of Knowledge (Lysias 2006).

INFOTE is the largest company in the Greek market in the structuring, processing and publishing of professional directories.

The Company also offers innovative electronic and voice services, aiming to create the widest possible range of information sources which cover the full spectrum of every citizen's needs.

INFOTE considers its duty to participate in activities that promote social wellbeing. INFOTE is a member of the Hellenic Network of CSR, an organization which mobilizes corporate collaboration and exchange of best practice in the area of CSR.

By making sustainability a key strategic objective, INFOTE takes into serious consideration the impact of its business on the environment, society and customers.

Society and culture initiatives in 2006:

- Publication and circulation of a Driving Safety Guide/Directory.
- Cooperation with the Ministry of Interior's Public Administration Secretariat for the publishing of 1,305,000 two-page and 30,000 one-page leaflets for the Citizens' Service Centers.
- Cooperation with the Youth and Sport Organization of the Athens Municipality to publish (free of charge) leaflets on sports education for the young.
- Financial contribution for building the SOS village for children in Thrace.
- Financial support to the Scientific Park in Patras, particularly in its conference organizing activities.
- Free of charge publication of leaflets for the "Cerebral Palsy Society".
- Cooperation with the charity "Make a Wish".
- Carols performed by INFOTE employees in order to collect donations for the "Kivotos" charity.
- Preservation of the cultural heritage of the Lesvos Prefecture through supporting a Sculpture Symposium.
- Support of important artists, such as Nonda (1922 – 2005).

Employees:

- Provision of additional medical insurance for all INFOTE employees.
- Offering ongoing employee training.
- Covering part of employee expenses given to nurseries.
- Organization of events for employees.
- Promoting and encouraging employee visits to cultural sites and events.

Environment:

- Use of recycled paper in publications
- Recycling of 720 tons of paper and installing special paper collection points within the company
- Participation in the program “A Clean Greece is a Beautiful Greece”
- Installation of special points for battery collection and participation in the Program for Battery Recycling of the “AFIS NGO”
- Contribution to the work of the International Sea Turtle Society (ISTS), through supporting the 26th International Symposium

Hellas Sat

Hellas Sat has engaged in the following CSR initiatives:

Hellas Sat installed and offered satellite access to the internet for two army camps. In addition, the company installed and offered satellite access to the internet for a school in the periphery (Korinthia) and provided teleconference services for the communication between the Greek Minister of Transport and the school. Following the same tactic of service offering, Hellas Sat, provided satellite access to the internet to the 1st SpaceCamp of ESA at Rio.

Hellas Sat also covered the sun eclipse phenomenon at Kastelorizo through television and broadband services for journalists and scientists. Furthermore, in co-operation with the Municipality of Nafpaktos and other local authorities of the Western Greek Periphery, Hellas Sat contributed towards reconstructing a historic sea battle. Last but not least, in cooperation with the Ecumenical Patriarchy of Constantinople, Hellas Sat offered satellite coverage of important religious events.

OTE Investment Services

During 2006, OTE Investment Services offered a total of € 60,000 to Athens University in order to cover the expenses of 2 students (1 from Serbia and 1 from Armenia) participating in the MBA International program.

The sponsorship was part of the International Scholarship Program of the Economic University of Athens for the 2006-2007 academic year.

Acting as a respected corporate member of Romanian society, Corporate Social Responsibility has become part of the **Romtelecom's** mission since 2003. Within this context, the company has generously sponsored selected domains in order to assist Romania's development.

In 2006, Romtelecom's efforts were directed in three broad areas: values/culture, sports and the social/humanitarian fields, aiming to provide long-term benefits for the whole community.

In the area of sports, Romtelecom was the official partner of the Romanian Olympic Committee, thus continuing a tradition which will extend until 2008. The company considers that by supporting the Romanian Olympic Committee, it contributes to the overall sport performance of Romania, perceived by most Romanians as a matter of national pride.

Performance is only possible when material and training conditions are at best standards and Romtelecom tries to have a considerable share in the improvement of these conditions, through the partnership with this entity. 2006 was the seventh year in a row when Romtelecom proudly joined the most prestigious media event, organized by the Romanian Press Club, which rewards journalists and encourages them in building a professional and independent approach.

Since 2001, Romtelecom works with the Green Line Association for Child Protection to promote children's rights in Romania. Romtelecom supports the activities of the Association and offers a free 'Green Phone Line' to help families and persons with special needs, through counseling and guidance. Over 15,000 cases were solved with the support of the Green Line provided by Romtelecom in the past years.

Regarding children's issues, the company also gave support, among others, to the Association for Autistic Children, to the hearing deficiency school, the Foundation "Save the Children", the anti-drugs agency and Ronald McDonald Foundation for Children.

Romtelecom also continued the collaboration with "Healthy Children" Foundation, which develops a successful campaign for helping the future mothers and new-born children who suffer from various congenital affections.

In 2006, the company continued supporting the Program of Discovering and Preventing Breast Cancer, launched by Renasterea Foundation, by financially sustaining its activities and offering the first free call service in Romania (Pink Line) dedicated to this matter.

For Romtelecom, 2006 was the second year of sustaining the ecological project "Save the Danube Delta" developed by the Association "Save the Danube Delta-Cațavencu Academy", through collecting and recycling waste from this unique natural habitat in Europe.

Besides being a strong brand, Romtelecom can be considered a trusted partner for the Romanian society. Being a company which respects its clients as members of the Romanian society, we are acting continuously for their benefit. We try to be close to all persons who ask for our support and in this way we hope to convey to those who trust us that we are a reliable company.

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