



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND



Asset Development Plan

30th July 2015

1. REGIONAL AIRPORTS

14 Regional Airports divided into two clusters of 7 airports each

Privatization Method

- Long-term (40+10) concession

Advisors

Financial Advisors

- Citi Bank
- EFG Eurobank

Legal Advisors

- Norton Rose
- Drakopoulos & Vasalakis
- YourLegalPartners

Technical Advisors

- Doxiadis

Current Status

- Tender awarded (December 2014) to the consortium of Fraport-Slntel for €1.2bn, plus 28.5% EBITDA sharing, plus €23mn annual payments
- Concession agreement and tender process approval by the Court of Audit (January 2015)

2. HELLINIKON

Former Athens Airport over 6.000.000 sq.m seafront real estate

Privatization Method

- Sale of 100% shares of Hellinikon S.A. which will get ownership of 30% of the property and have the right to develop (surface) and manage 100% of the property for 99 years

Advisors

Financial Advisors

- Citi Bank
- Piraeus Bank

Legal Advisors

- Watson, Farley Williams
- Fortsakis, Diakopoulos, Mylogiannis and Partners

Technical Advisors

- Decathlon

Current Status

- LAMDA Development has signed the contract on November 14th 2014. Financial closure is expected after the fulfilment of several conditions precedent
- Long stop date is within two years, hence on November 14th 2016
- Total financial consideration of €915mn

3. ASTIR VOULIAGMENIS

Hotel Complex of Astir Palace Vouliagmeni S.A. including Marina Subsidiary

Privatization Method

- Sale of 81,122,156 shares of Astir Palace S.A.
- Tender Run by NBG S.A.

Advisors

Financial Advisors

- Piraeus Bank

Legal Advisors

- Potamitis Vekris

Technical Advisors

- Decathlon

Current Status

- JERMYN, comprised of a consortium of Turkish and Arabic investors, has signed the contract on September 17th 2014
- The Council of State has rejected the proposed Presidential Decree for the development of the site and a revised development plan is being drafted for submission to the competent authorities and further review by the Council of State upon successful conclusion of current negotiations with the investors

Main issues

- Agreement on the new proposed ESCHADA development plan

4. AFANDOU RHODES

Golf and Tourist development in two properties in the Afandou area of the island of Rhodes

Privatization Method

- Sale of 100% shares of 2 or more SPVs set up by HRADF for each property (Golf Afandou & Southern Afandou) to be acquired by M.A. Angeliades (Preferred Investor for Property A) and T.N. Aegean Sun Investment Limited (Preferred Investor for Property B)

Advisors

Financial Advisors

- Piraeus Bank

Legal Advisors

- Potamitis Vekris

Technical Advisors

- Decathlon

Current Status

- The tender has been approved by the Court of Auditors and the development plan has been signed off by the Council of State (draft Presidential Decree)
- An amendment is needed to correct the total area of the property and a new draft Presidential Decree must be approved and signed off by the Council of State

Main issues

- Adjournment of the Central Administration Council for the approval of the revised Presidential Decree and forwarding and resubmitting it to the Council of State

5. HELLENIC GAS TRANSMISSION SYSTEM OPERATOR (DESFA)

DESFA, DEPA's wholly-owned subsidiary, owns and operates the regular high pressure gas transport network and LNG re-gasification facilities in Greece

Privatization Method

- Sale of 66% (31% HRADF - 35% HELPE) of DESFA's shares to the State Oil Company of the Republic of Azerbaijan ("SOCAR") through a public tender offer

Advisors

Financial Advisors

- Alpha Bank
- UBS
- Rothschild

Legal Advisors

- Koutalidis Law Firm
- Clifford Chance

Current Status

- SPA and SHA signed on 21.12.2013
- The transaction is currently reviewed by DG COMP

6. PIRAEUS PORT AUTHORITY (OLP)

The largest Port Authority of Greece, OLP S.A. has a long-term concession agreement with the HR for the use of the Port until 2052 and is listed on the Athens Exchange

Privatization Method

- **Sale of 67% of share capital of Piraeus Port Authority S.A.:**
 - 51% settled at closing
 - Additional 16% settled 5 years following closing subject to completion of mandatory capex
- **HRADF currently holds 74% of the shares**

Advisors

Financial Advisors

- Morgan Stanley
- Piraeus Bank

Legal Advisors

- Freshfields
- AKL

Technical Advisors

- HPC
- Marnet

Current Status

- **Currently in second phase**

Five Investors preselected:

- APM
- COSCO
- ICTSI
- Ports America Group
- Utilico

- **Full documentation package (including the new concession agreement) submitted to investors and comments received in January 2015**

Main issues

1. Finalize the concession agreement for OLP based on the framework already agreed and the document disseminated to investors in December 2014
2. Staffing of Ports' Regulatory Authority & preparation of necessary Presidential Decree to allow the regulator to properly function
3. Specification/separation of administrative & other responsibilities/competences that should be removed from OLP and be transferred to the Hellenic Republic/Port Regulatory Authority

7. THESSALONIKI PORT AUTHORITY (OLTH)

The second largest Port Authority of Greece, OLTH S.A. has a long-term concession agreement with the HR for the use of the Port until 2051 and is listed on the Athens Exchange

Privatization Method

- Sale of 67% of share capital of Thessaloniki Port Authority S.A.
- HRADF currently holds 74% of the shares.

Advisors

Financial Advisors

- Morgan Stanley
- Piraeus Bank

Legal Advisors

- Freshfields
- AKL

Technical Advisors

- HPC
- Marnet

Current Status

- Currently in second phase

Eight Investors preselected:

- APM
- Deutsche Invest
- ICTSI
- Duferco Participation
- Mitsui & Co
- P&O Steam Navigation
- Russian Railways JSC / GEK TERNA S.A.
- Yilport Holding

- Investors given access to the VDR but not yet to full documentation package

Main issues

1. Redrafting by the relevant authorities of the concession agreement based on the OLP precedent work
2. Staffing of Ports' Regulatory Authority & preparation of necessary Presidential Decree to allow the regulator to properly function
3. Specification/division of administrative & other responsibilities/competences to be removed from OLTH and transferred to the Hellenic Republic/Port Regulatory Authority

8. TRAINOSE & EESSTY (ROSCO)

TRAINOSE is engaged in the provision of traction services for the rail transportation of passengers and freight, the development, organization and exploitation of urban, suburban, regional, extra-urban and international railway transportation of passengers and freight and the provision of logistics services of any nature

EESSTY is a newly established (2013) company. Today, the Hellenic Republic Asset Development Fund owns 100% of the share capital of EESSTY. EESSTY provides rolling stock maintenance and availability services to train operating companies

Privatization Method

- Sale of 100% of share capital of TRAINOSE S.A.
- Sale of 100% of share capital of EESSTY S.A.

Advisors

Financial Advisors

- IBG
- Kantor

Legal Advisors

- Bernitsas
- Hogan Lovells (currently under negotiation)

Technical Advisors

- Louis Berger

Current Status

- Currently both tenders are in the 2nd phase

TRAINOSE

Three prequalified investor schemes:

- SNCF France
- Grup Feroviar Roman (GFR),
- Russian Railways – GEKTERNA

EESSTY

Three prequalified investor schemes:

- ALSTOM-DAMCO
- RZD-GEKTERNA
- SIEMENS

9. ATHENS INTERNATIONAL AIRPORT (AIA)

AIA is the main airport of Greece, located in Athens. AIA was established in 1996 as a Public-Private Partnership with a 30-year concession agreement that grants to AIA the right to use the airport site for the purpose of the “design, financing, construction, completion, commissioning, maintenance, operation, management and development of the airport” until 2026

Privatization Method

- **Sale of 30% of shares and extension of concession. The privatisation method to be decided**
- **HRADF holds 30% of the shares of AIA and the right to extend the duration of the concession agreement for 20 more years (i.e. up to 2046)**
- **The Hellenic Republic holds 25%**

Advisors

Financial Advisors

- BNP
- NBG Securities

Legal Advisors

- Potamitis-Vekris
- Clifford Chance

Current Status

- Under Preparation
- Options assessed include trade sale and IPO

10. POSEIDI CHALKIDIKIS

Tourist development

Privatization Method

- Sale of 100% shares of an SPV which will hold ownership and surface rights over the property

Advisors

Financial Advisors

- Alpha Bank
- Alpha Astika Akinita

Legal Advisors

- Bahas-Grammatidis

Technical Advisors

- Decathlon

Current Status

- Ongoing tender

11. MARKOPOULO EQUESTRIAN CENTRE

Athletic development

Privatization Method

- **Concession Agreement for the right of use and exploitation for a 40 year period with the possibility of extension**

Advisors

Financial Advisors

- Alpha Bank
- Alpha Astika Akinita

Legal Advisors

- KG Law Firm

Technical Advisors

- ASPA

Current Status

- Financial Offers have been submitted

12. E-AUCTION II, III, IV

Privatization Method

- Sale of properties through the e- auction platform

Advisors

Project Advisors for e-auction II and III, legal and technical

- ETAD

E-auction IV and forth

- KLC Legal Advisors
- ETAD Technical Advisors

Current Status

- Signing of contracts

Main issues

- Contracts to be signed by HRADF:
 - 18, Florinis st, Athens
 - Plytra, Prefecture of Lakonia
 - Former Magistrate of Paramythia
 - Former Magistrate of Messinia
 - Plaka properties

13. MARINAS

Alimos Marina and remaining Tourist Ports in HRADF's portfolio

Privatization Method

- Long-term (40 years) concession of the marinas

Advisors

To be selected and appointed

Current Status

- The tender processes of Alimos cluster and Chios completed without any investor interest

MARINA OF PYLOS

Privatization Method

- Long-term (40 years) concession of the marinas

Advisors

Financial Advisors

- IBG

Legal Advisors

- KLC

Technical Advisors

- ROGAN & Associates

Current Status

- Currently in second phase of tender process

8 prequalified investors

14. EGNATIA MOTORWAY

A 648 km fully constructed toll motorway in Northern Greece linking Igoumenitsa to the Turkish borders and three Vertical Axes to the motorway

Privatization Method

- Long-term (35 years) concession of Egnatia Motorway S.A. and three vertical axes

Advisors

The contracts of the advisors have lapsed and the Fund is planning to launch a Tender to engage advisors for the Project

Current Status

- Under preparation

15. HELLENIC PETROLEUM (HELPE)

Hellenic Petroleum S.A. is the leading oil refiner and distributor in Greece and a significant player in the Southeast European market. It operates three refineries in southern and northern Greece which cover approximately 2/3 of the country's refining capacity

Privatization Method

- **HRADF holds 35% of the shares**

Current Status

- Alternative options are being considered

Next Steps – Main issues

- Engagement of advisors to evaluate alternative strategic options and provide recommendations

16. OTE

Hellenic Telecommunications Organization (OTE S.A.) is the largest telecommunications provider in the Greek market, and together with its subsidiaries, forms one of the leading telecom groups in Southeastern Europe. OTE is among the five largest listed companies, with respect to capitalization, in the Athens Exchange. OTE is also listed on the London Stock Exchange (LSE)

Privatization Method

- **Hellenic Republic holds 6% of share capital and the voting rights of IKA shares, which holds 4% of the share capital**

Current Status

- **Assessment by Hellenic Republic of possible privatization**

17. PUBLIC POWER CORPORATION (PPC)

PPC S.A. is the incumbent power producer and electricity supply company in Greece. PPC currently holds assets in lignite mines, power generation, transmission and distribution. PPC's current power portfolio consists of conventional thermal and hydroelectric power plants, as well as RES units.

Privatization Method

- **Sale of 17% of PPC's shares, potentially in 2016**

Current Status

According to Cabinet Act 15/24.7.2013:

- Sale of ADMIE (the Independent Transmission System Operator) by PPC underway
- Spin-off of about 30% of production capacity ('Mikri DEI') to follow

Next Steps – Main issues

- Engagement of advisors to HRADF
- Strategy to be determined by HRADF's BoD

18. THESSALONIKI WATER SUPPLY & SEWERAGE (EYATH)

EYATH S.A. has the exclusive right to provide water and sewerage services in the Greater Thessaloniki area through a 30-year exclusive concession agreement with the Hellenic Republic, effective from 2001

Privatization Method

- **Sale of 23% of share capital**
- **HRADF currently holds 74% of the shares**

Current Status

- Previous privatization attempt for the sale of 51% was put on hold based on a decision of the Council of State regarding the similar privatisation of EYDAP. According to the decision, the state should retain at least 50% plus 1 share in EYDAP, so only a minority stake can be sold

Next Steps – Main issues

- HRADF to engage advisors
- Assessment of alternative options for the sale of 23% of the shares
- Improvement of the regulatory framework and adoption of a revised Concession Agreement by the Company and the HR

19. ATHENS WATER SUPPLY & SEWERAGE (EYDAP)

EYDAP S.A. has the exclusive right to provide water and sewerage services in the Greater Attica area. The term of this right, as well as its renewal, is regulated by a 20-year Agreement signed by the Hellenic Republic and EYDAP in 1999

Privatization Method

- **Sale of 11% of EYDAP shares**
- **HRADF holds 27% of the shares**

Current Status

- According to decision by the Council of State concerning the legality of the transfer of the shares to the HRADF, the transfer of 34,0033% of EYADAP shares has been canceled. Therefore, HRAADF owns 27% of EYDAP's shares and the Hellenic Republic 34%. According to the decision, the state should retain at least 50% plus 1 share, so only a minority stake can be sold

Next Steps – Main issues

- Hellenic Republic and HRADF to request return of capital to shareholders, as provided in corporate law
- HRADF to engage advisors

20. PUBLIC GAS CORPORATION (DEPA)

DEPA S.A. is the incumbent natural gas importer and distributor. It sources gas from a number of suppliers through long-term supply contracts and provides approximately 90% of the gas consumed in the country

Privatization Method

- HRADF holds 65% of the shares
- HELPE holds the rest 35% of the shares

Next Steps – Main Issues

- HRADF to engage advisors
- Assessment of alternative options and re-launch a new process

21. HELLENIC POST (ELTA)

Hellenic Post S.A. is the leading postal service provider in the Greek market and a member of the Universal Postal Union

Privatization Method

- HRADF holds 90% of the voting rights

Advisors

Financial Advisors

Legal Advisors

Current Status

- Alternative options are being evaluated – Strategic review is carried by PwC

Main issues

- Evaluation of strategic actions to restore profitability and address funding needs

22. OTHER REAL ESTATE TENDERS

E-auction V (15 properties) – sale of land plots and buildings in Argos, Veroia, Stylida, Kefalonia and Rhodes island, Nafplion, Chalkidiki, Mesinia and Athens

Initial Offers and Submission of Documents Deadline – Issues

- Bids to be received by 24.11.2015

23. REAL ESTATE MONETISATION

Privatization Method

- **Monetisation of real estate portfolio in an effort to bring forward proceeds from real estate exploitation**

Advisors

Financial Advisors

- UBS (Phase A)
- UBS, Deutsche Bank, BNP Paribas (Phase B)

Legal Advisors

- Koutalidis Law Firm
- Norton Rose UK

Current Status

- In July 2014, the Financial Advisor (UBS) delivered the final report presenting:
 - a review of the various monetization options initially considered
 - a summary of the Eurostat Framework
 - a possible application of the potential monetization together with an initial term sheet
 - indicative third party costs (excluding the lead arrangers and HRADF legal counsels)