



HELLENIC REPUBLIC ASSET  
DEVELOPMENT FUND

## INVITATION FOR EXPRESSION OF INTEREST

### TO ACT AS A FINANCIAL ADVISER TO THE HELLENIC REPUBLIC ASSET DEVELOPMENT FUND FOR THE PROVISION OF SERVICES REGARDING THE EXPLOITATION OF ITS SHAREHOLDING STAKES IN ATHENS WATER SUPPLY & SEWERAGE S.A. & THESSALONIKI WATER SUPPLY & SEWERAGE S.A. (together the “Water Companies” or the “Companies”)

12 April, 2017

#### 1. Introduction

Pursuant to decisions 195/27.10.2011 and 206/25.04.2012 of the Interministerial Committee of Assets Restructuring and Privatizations (the “**ICARP**”), 28.868.000 shares in EYATH S.A. and 65.319.740 shares in EYDAP S.A. (each the “**Company**” or “**EYDAP**” and “**EYATH**” respectively), amounting to a percentage of 61,333% and 74,017%, respectively owned by the Hellenic Republic (the “**HR**”), were transferred to the Hellenic Republic Asset Development Fund S.A. (the “**HRADF**” or the “**Fund**”), a legal entity entrusted with the implementation of the privatization program of the Hellenic Republic.

The Fund is established by, and is operating according to, the provisions of Law 3986/2011. The privatisation programme is implemented pursuant to the provisions of:

- the single article of Law 3985/2011 “Medium Term Fiscal Strategy 2012-2015” (Government Gazette A’151/2011), which approved the Medium Term Fiscal Strategy 2012-2015 and the “Privatizations Program 2011-2015” (Chapter B’, Part II “Privatizations”),
- Law 4046/2012 (Government Gazette A’28/2012) “Approval of the Draft Agreements for Financial Assistance Facility between the EFSF, the Hellenic Republic and the Bank of Greece, of the Memorandum of Understanding between the Hellenic Republic, the European Commission and the Bank of Greece and other provisions for the reduction of public debt and the salvage of the national economy” that updated the Privatization Program included in Annex IV,
- the provisions of paragraph 4.4 (Structural Policies for the enhancement of competitiveness and development - Privatization) of Law 4336/2015 (Government Gazette A’94/2015) “Ratification of draft agreement for the Financial Support from the European Stability Mechanism and provisions for the implementation of the Financing Agreement”, and
- Law 3986/2011 on “Emergency Implementation Measures for the Medium-Term Fiscal Strategy Framework 2012-2015” (Government Gazette A’ 151/2011).

Pursuant to 1906/2014 decision of the Supreme Administrative Court, it was ordered that a number of 36,245,240 shares in EYDAP had to be re-transferred to the HR.

Pursuant to article 188 par. 1 of Law 4389/2016, the Fund became a direct subsidiary of the “Hellenic Corporation of Assets and Participations S.A.” (the “**HCAP**”).

In accordance with Fund’s Asset Development Plan (the “**ADP**”), as approved by decision no. 33/25.05.2016 of the Governmental Council of Economic Policy (Greek Government Gazette Bulletin B’, no. 1472) and with respect to the provisions of Law 4425/2016, regarding the future transfer of selected companies to the Public Participations Corporation («Εταιρεία Δημόσιων Συμμετοχών»), the Fund will proceed with the sale of its remaining shares to the Companies.

The Fund is seeking to appoint a leading investment bank or advisory firm (the “**Adviser**”) to explore the optimum exploitation alternatives for its shareholding stakes in EYDAP and EYATH, to conduct a strategic study on the existing alternative strategic options (the “**Report**”) and advise the Fund on its options with respect to its shareholding in the Companies.

For the award of the services the Fund’s Procurement Regulation will apply (Greek Government Gazette, Bulletin B’, no. 476/26.02.2014).

## **2. Scope of work**

The Adviser is expected to provide, among others, the following services to Fund:

- i. An overview of the Companies (corporate structure, financial position etc.) and their overall business environment.
- ii. An overview and an assessment of the Companies’ Business Plans.
- iii. An overview of the EU water and sewerage markets and their characteristics (indicatively: country, ownership of assets, entity holding operating role, duration of operating role, legal framework, environmental considerations and obligations, assets bundling/unbundling, level of services obligations, entity setting and/or monitoring tariffs, tariff setting methodologies and procedures etc.)
- iv. Highlighting business development opportunities that could optimize further their value proposition, considering factors such as benchmarking with other EU water and sewerage utilities.
- v. Identification and analysis of all the milestone issues and key factors that could maximize the shareholdings’ value.
- vi. Exploration of all possible alternative options and transaction structures for the optimum exploitation of the Fund’s shareholdings in the Companies and make a written recommendation (together with the other advisers of the Fund if necessary) on the optimum exploitation alternative per company.
- vii. Highlighting the critical success factors of the proposed transactions structures, in order to reach a successful completion

- viii. Preparation of a timeline and a roadmap for the implementation of the proposed transaction structure(s) per Company.
- ix. Identification and assessment of potential types of investors/companies that would be interested in the exploitation.
- x. Execution of a premarket sounding.
- xi. Delivery of the Report detailing and presenting to the Fund' s Board of Directors and the Council of Experts all the results, conclusions and findings of all of the abovementioned issues, presenting the alternative strategic options with respect to the Fund's shareholding in the Companies and recommending the optimum exploitation alternatives in each case.
- xii. The Report and the supporting documentation should be in the English language, with an executive summary in English and in Greek.

### **3. Duration and Budget**

**Duration:** The duration of the engagement will be four (4) months. The Fund reserves the right to extend the engagement if such extension is deemed necessary. The Adviser is expected to complete and properly deliver the Report to the HRADF within four (4) months from the assignment date.

**Budget:** The maximum available budget for the engagement is Euro eighty thousand (€80,000), including all fees & expenses, and excluding VAT.

### **4. Qualifications and Criteria**

The interested parties should be able to demonstrate their standing, international reputation and professional expertise and experience in relation to the assignment tendered. In particular, the tenderers should be able to demonstrate:

- i. **Track Record & Experience:** Proof of relevant track record and experience in the provision of expert financial advisory services in the utilities sector, in recent transactions and in privatizations and particularly the Water and Sewerage sector. Experience in the reek market will be highly appreciated. The dossier of the Expression of Interest should include obligatorily a catalogue of all relevant projects in which the interested party has participated in the last 10 years (**DOSSIER A'**).
- ii. **Project Team:** Proposed team composition and its proposed structure, including the relevant experience of the leader and senior members of the team. Expressions of Interest should include the CVs of all the members of the proposed engagement team. Moreover, a list of all relevant projects proving experience of those individual members should be submitted and included in the Expression of Interest. The suggested senior members of the project team may be replaced only with HRADF's prior consent, which shall not be unreasonably withheld. (**DOSSIER B'**).

- iii. **Methodological Approach:** The interested parties should identify the business, regulatory and other critical issues and submit in their proposal a brief description of the proposed approach to the assignment, specify the deliverables and include an indicative timetable (**DOSSIER C'**).
- iv. **Budget:** The Dossier should include a detailed budget analysis and structure for the fees. (**DOSSIER D'**).
- v. The interested parties and the members of their proposed teams must formally declare in writing that they do not have a conflict of interest, as well as that they do not have any relationship of economic or other nature with the two water companies and that they are not retained by the latter. Such a declaration confirming the absence of any conflict of interest shall be in effect throughout the term of the engagement of the Adviser with the Fund.
- vi. The interested parties must meet all the qualifications as described above under 4.i1 through 4.v. Interested parties who fail to submit Expressions of Interest fully compliant to the qualifications required under 4.i through 4.v of this Invitation, will be disqualified from the Tender.
- vii. The Adviser must observe and abide by the rules provided for in art. 7 of the Law 3049/2002 and in particular their professional code of conduct and the relevant confidentiality rules, even after the conclusion of their engagement.

## 5. Selection Process

- i. The assignment will be awarded in accordance with the provisions of the Law 3986/2011 and article 2.4 of the Procurement Regulation of HRADF (Min. Finance Decision 2/16128/0025/2014, Governmental Gazette B'476/26.02.2014), as in force.
- ii. Interested Parties will be assessed and evaluated on the basis of both their experience and their financial offer in accordance with the table below. The tender will be awarded at the interested party with the highest score.
- iii. Interested parties are evaluated on the basis of the following criteria and their respective weighting:

<b>Criterion</b>	<b>Weighting</b>
Track Record & Experience – DOSSIER A'	20%
Project Team – DOSSIER B'	20%
Methodological Approach – DOSSIER C'	25%
Budget – DOSSIER D'	35%

- iv. The Fund may request additional documents and/or clarifications and/or information from the interested parties in connection with any issue related to their Expression of Interest, as deemed necessary.

- v. The Expressions of Interest, consisting of DOSSIERS A', B, C' and D, the declarations confirming the absence of any conflict of interest and any other supporting documentation which proves the required experience and expertise of both the financial adviser and the individual members of their proposed team, are permissibly submitted only electronically by email at the e-mail address: info@hraf.gr (for the attention of Mr. Yiannis Zapantis), marked "**WATER AND SEWERAGE COMPANIES OF ATHENS AND THESSALONIKI: INVITATION FOR EXPRESSIONS OF INTEREST FOR FINANCIAL ADVISER**". In addition, the Interested Parties may also submit to the Fund, at their discretion, a hard copy of DOSSIERS A', B'and C, in a sealed envelope, at the HRADF's premises (1 Kolokotroni & Stadiou Str., 7th floor, Athens 10562, Greece). In case of any discrepancy or any other inconsistency between the hard copy and the electronic submission via e-mail, the e-mail submission shall prevail.'
- vi. DOSSIER D' must be protected with a password; if not, the Interested Party shall be automatically disqualified. Following the assessment of DOSSIERS A', B', C', and provided that the declarations confirming the absence of any conflict of interest are included, only the Interested Parties which comply with the requirements under para. 4.vi (regarding DOSSIERS A', B' and C') will be invited via e-mail to send the password for DOSSIER D'. The Interested Parties who fail to comply with the above requirements will be notified accordingly. Following the assessment of DOSSIER D', the Interested Parties (invited to send the password for DOSSIER D') will be notified about the outcome of the process.
- vii. The Expressions of Interest must be submitted no later than May 3<sup>rd</sup>, 2017, 17:00, Athens time, irrespectively of the means of their submission. Expressions of Interest submitted after the aforementioned deadline shall be deemed inadmissible and thus immediately rejected. In the case of a late receipt, the Expression of Interest shall not be evaluated.
- viii. The Fund reserves the right to enter into discussions and negotiations with the Preferred Bidder for the improvement of its bid, prior to the final award of the assignment.

## **6. Terms and Conditions**

- i. The Expressions of Interest to be submitted and this Invitation, as well as the Advisers' engagement letter for the provision of services required with this Expression of Interest, are and shall be, governed by, and construed in accordance with, the laws of the Hellenic Republic, taking also into consideration the prevailing market's levels, the practice of the Fund and its internal policy, including terms and conditions customary in the circumstances.
- ii. All interested parties accept hereby without reservation the approved expenses policy of the Fund on the reimbursement of the expenses of its Advisers.
- iii. The Fund or any of its advisers, or agents, or employees, or officers is not to be held responsible or liable in respect of any error or misstatement/misrepresentation in, or omission from, this Invitation. No person

acquires against the Fund and its officers, agents, employees and officers, or the Hellenic Corporation of Assets and Participations (HCAP) or the Advisers any right or claim for compensation, or indemnification, or other, for any reason or cause related to this Invitation and/or the Expression of Interest and/or the participation in the Tender. No representation, warranty or undertaking, express or implied, is or will be made in relation to the accuracy, adequacy or completeness of this Invitation and the Tender Process in general.

- iv.** The Fund reserves the right, at the fullest extent possible and at its exclusive discretion, to cancel, suspend, amend or postpone this procedure, without any prior notice or updating, as well as to terminate any negotiations or discussions at any stage of the process, without incurring any liability whatsoever as against any participant and/or any third party.
- v.** Any dispute arising under, or out of, or in connection with the present Invitation including the Expressions of Interest submitted, and the Adviser's engagement letter for the provision of the services required with this Expression of Interest, shall be subject to the exclusive jurisdiction of the Courts of Athens, Greece.