

**INVITATION FOR EXPRESSION OF INTEREST FOR THE PROVISION OF
FINANCIAL VENDOR DUE DILIGENCE SERVICES TO THE HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND IN RELATION TO THE PRIVATIZATION OF THESSALONIKI WATER
SUPPLY & SEWERAGE COMPANY S.A.**

April 4th, 2012

1. Introduction

1.1 Whereas, pursuant to the provisions of:

a) Law N. 3985/2011 “Medium Term Fiscal Strategy 2012-2015” (Government Gazette nr. A’ 151/2011), the Medium Term Fiscal Strategy 2012-2015 was adopted, together with the “Privatizations Program 2011-2015” (Chapter B’, Part II «Privatizations»), which includes, *inter alia*, the privatization of the Thessaloniki Water Supply & Sewerage Company S.A. (“EYATH”).

and

b) Law 4046/2012 “Approval of the Draft Financial Assistance Facility Agreements between the European Financial Stability Fund (EFSF), the Hellenic Republic and the Bank of Greece, the Memorandum of Understanding between the Hellenic Republic, the European Commission and the Bank of Greece and other urgent provisions for the reduction of public debt and the rescue of the national economy” (Government Gazette A’ 28)

1.2 Whereas:

1.2.1. According to Law 3986/2011, the Hellenic Republic Asset Development Fund S.A. (the “HRADF”) is responsible for the implementation of the privatization program of the Hellenic Republic (the “HR”).

1.2.2. EYATH has the exclusive right to provide water supply and sewerage services in the greater Thessaloniki area through a 30-year concession agreement with the HR and EYATH Fixed Assets, effective from July 2001. Currently, the HRADF holds 40,00% of the ATH.EX listed EYATH’s share capital, whilst a 34,02% stake is still held by the HR;

1.2.3. In the context of the privatization process of EYATH (the “Privatization”), the HRADF is seeking to employ an auditing firm, who will assist the HRADF and its other advisors in relation to the Privatization.

2. Scope of the Work to be assigned

The services to be assigned include the provision of Financial Vendor Due Diligence assistance to the HRADF and its advisors with respect to all issues of financial nature in relation to EYATH.

2.1 These services should include, inter alia, the following:

2.1.1. Review of available information relating to the Profit and Loss accounts, the Balance Sheet and the Cash Flow Statement over the following period:

- Last 3 full financial years, i.e. 2009, 2010 and 2011
- 2012 Budget

2.1.2. Review of the current business plan prepared by the company (assumptions and figures, as well as potential upside/downside risks)

2.1.3. Provision of full analysis of selected items (quality of earnings, working capital, review of receivables and payables, cash reconciliation, etc., net debt, review of hedging activity if any, off- balance sheet items, etc.).

2.1.4. Support during the Q&A sessions with potential bidders.

2.2 Delivery of a detailed report in English detailing results and findings.

3. Necessary Qualifications & Other Requirements

3.1 The interested firms are kindly requested to submit an offer in writing, which should include at least the following:

3.1.1. Proven track record and relevant expertise in providing services related to national authorities. Experience in the Greek market and Utilities sector will be appreciated.

3.1.2. Proposed team composition (and its proposed structure) including relevant experience of the senior members of the team. Emphasis will be placed on the qualifications and relevant experience of the team leader and team members assigned to the Project.

3.1.3. Presentation of the proposed approach to the engagement, critical issues, methodologies to be applied as well as the proposed deliverable(s) including an indicative timetable.

3.1.4. Proposed, fee structure including a cap for fees and expenses for the term of the engagement.

3.2 The interested firms and the members of the proposed teams must declare in writing that they do not have a conflict of interest. Such restriction as to conflict of interest will be in effect throughout the term of the engagement.

3.3 Estimated Duration of the engagement: Maximum twelve (12) months.

3.4 Estimated Budget: The indicative budget for the engagement is estimated at Euro 80,000 plus VAT.

4. Selection Process

- 4.1 The engagement will be awarded in accordance with the provisions of the Procurement Regulation of the HRADF approved by decision of the Minister of Finance (Government Gazette B' 2241/06.10.2011). The assessment shall take into consideration the above mentioned in section 3 "Necessary Qualifications & Other Requirements", the fee proposal, according to the procedure mentioned in Article 3 Paragraphs 2.2 and 3 of the above Regulation.
- 4.2 The HRADF will evaluate proposals against the criteria set out in section 3 above and may require clarifications, additions or adjustments of the submitted offers as deemed necessary. Following this evaluation process, the three best (3) candidates will be invited to present their proposals and project teams to the HRADF for final assessment.
- 4.3 The HRADF reserves, at the fullest extent possible and at its exclusive discretion, the right to cancel, suspend, amend or postpone at a later time this procedure, without any prior notice, 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.

Interested parties should submit their offer, together with detailed CVs of the proposed team for the engagement and any other documentation that prove the firm's and the team's experience and expertise via e-mail to the **Hellenic Republic Asset Development Fund S.A.** at the e-mail address ykomninakidis@hraf.gr marked "**INVITATION FOR SUBMISSION OF PROPOSALS FOR PROVISION OF FINANCIAL VENDOR DUE DILIGENCE SERVICES TO THE HRADF IN RELATION TO THE PRIVATIZATION OF THESSALONIKI WATER SUPPLY & SEWERAGE COMPANY S.A.**". Additionally, a hard copy of such offer may also, at the discretion of the interested parties, be submitted, in a sealed envelope, at the offices of the HRADF (1, Kolokotroni & Stadiou Street, 7th Floor, Postal Code: 105 62, Athens, Greece). Offers must be submitted not later than **April 11th, 2012, 17:00, Athens time**, irrespective of the way of submission.