

23 REGIONAL AIRPORTS IN GREECE

INVITATION FOR SUBMISSION OF PROPOSALS TO ACT AS ADVISOR TO THE HELLENIC REPUBLIC ASSET DEVELOPMENT FUND FOR THE CONDUCT OF AN ASSESSMENT STUDY ON 23 REGIONAL AIRPORTS IN GREECE

13 June, 2016

A. INTRODUCTION

The Hellenic Republic Asset Development Fund Société Anonyme (the Fund or HRADF) is a société anonyme incorporated under Law 3986/2011 (the Fund Law) (Government Gazette 152A/1.7.2011), the entire share capital of which is owned and controlled by the Hellenic Republic (the HR).

Pursuant to the Fund Law, the Fund is entrusted, in the context of the Privatisation Program of Law 3985/2011 (Government Gazette 151/A/1.7.2011) “Medium-Term Fiscal Strategy Framework 2012-2015”, as updated by virtue of Law 4046/2012 (Government Gazette 28/A/14.02.2012), Law 4093/2012 (Government Gazette 222 A/12.11.2012), Law 4336/2015 (Government Gazette A’94/14.08.2015) and Law 4389/2016 (Government Gazette A’94/27.05.2016), with the development of the assets of the HR, as well as the assets of public law entities and companies, the share capital of which are fully owned, directly or indirectly, by the HR or by public law entities.

The Privatisation Program includes, among others, the exploitation of the HR’s rights and interests in 37 regional airports of the HR out of the 39 airports, which are currently open for public use serving commercial air transport operations (i.e. excluding the Heraklion International Airport and Athens International Airport), and are operated by the Hellenic Civil Aviation Authority (the HCAA).

In this respect, by virtue of Decision No. 195/27-10-2011 (Government Gazette 2501/B/4.11.2011) of the Inter-ministerial Committee for Asset Restructuring and Privatisations the HR transferred to the Fund the right provided under paragraph 8(c) of article 22 of Law 3913/2011, as currently in force, to grant concession, by entering into relevant concession agreements with third parties, of the rights of use, administration, development, expansion, maintenance and exploitation of 37 regional airports in Greece, including the rights of administration, management and exploitation of the movable and fixed assets that are relevant to the operation of the airports, as well as of the land for commercial or other use that lies within the boundaries of or close to the airports, under the terms specified in the above mentioned legislative provision.

Within the above framework and in view of the Fund’s obligation to perform an assessment on the portfolio of its existing rights over regional airport assets, the present Invitation is seeking to engage an advisor to identify and evaluate the development options of the Fund’s rights over 23 regional airports currently open for public use serving commercial air transport operations and operated by HCAA. **These airports are: Alexandroupoli, Araxos, Astypalaia, Chios, Ikaria, Ioannina, Kalamata, Kalymnos, Karpathos, Kasos, Kastelorizo, Kastoria, Kozani, Kythira, Leros, Limnos, Milos, N. Anchialos, Naxos, Paros, Siteia, Skyros and Syros.**

B. SCOPE OF WORK

The prospective Advisor must produce and provide to the Fund a detailed value assessment study that should cover in detail at least the following components/items:

1. Review and evaluation of each airport from an operational, commercial and traffic point of view.
2. Identification of the *value potential* for each airport, taking into consideration the potential to attract additional airlines and destination routes, as well as the upside from ancillary operations (i.e. commercial and real estate) of each airport.
3. Development of a *business case* for each airport.
4. Analysis of the potential upside of creating clusters of airports.
5. Evaluation of available and commercially feasible transaction structures.

Maximum Duration of the Engagement: two (2) months. If needed and according to HRADF's Regulation, an extension of the duration can be agreed.

Maximum Budget: The maximum available budget (including fees & expenses) for said assignment is **€120,000** (plus VAT, if applicable).

C. NECESSARY QUALIFICATIONS

HRADF invites interested candidates to submit their proposals in writing, which should include the following:

1. **Track Record & Experience:** Proof of extensive experience in the provision of expert advisory services in the aviation sector during the past 5 years, as well as in asset development advisory during the past 10 years. The expression of interest should include all relevant aviation projects in which the interested party has participated. (DOSSIER A)
2. **Methodological Approach:** Presentation of the proposed approach to the assignment, critical issues, analysis and methodologies, including a timeline (DOSSIER B)
3. **Project Team:** Proposed team composition including relevant experience of the senior members of the team during the past five (5) years. Emphasis must be placed on the qualifications and relevant experience of the project manager and team members assigned to the project. (DOSSIER C)
4. **Maximum Budget:** Proposed fee structure & expenses (DOSSIER D)

Interested parties and the members of the proposed teams must declare in writing that they do not have a conflict of interest. Such declaration as to conflict of interest will be in effect throughout the term of the Advisor's engagement with HRADF.

D. SELECTION PROCESS

1. The assignment will be awarded in accordance with law 3986/2011, as currently in force, the provisions of the Procurement Regulation of the HRADF approved by decision of the Minister of Finance (Government Gazette B' 476/26.02.2014) and any relevant applicable legislation. The assessment shall take into consideration the above mentioned in article C qualifications, the fee & expenses proposal, based on the procedure mentioned in Article 2, Paragraph 2.3 of the above Regulation. HRADF may

require clarifications, additions or adjustments of the submitted offers as deemed necessary.

2. The provision of technical services shall be subject to an engagement letter, in line with prevailing market levels and with HRADF's practice and internal policy, containing terms and conditions customary in the circumstances. This invitation and the abovementioned engagement letter are/shall be governed by and construed in accordance with the laws of the Hellenic Republic and any dispute arising out of or in connection with them shall be subject to the non-exclusive jurisdiction of the court of Athens, Greece.
3. Candidates that do not comply with any of the criteria set forth in article C hereof will not be allowed to participate in the process and thus be disqualified.
4. 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.
5. No responsibility or liability is or will be accepted by either the HRADF or its advisers, or any agents, servants, officers in respect to any error or misstatement in or omission from this document. No person acquires any right or claim for compensation or other from this Invitation or from their participation in the procedure described herein, against the HRADF or its advisers for any reason or cause.

E. SUBMISSION OF PROPOSALS

Interested parties should submit their offer consisting of DOSSIERS A, B, C and D, together with CVs of the proposed team for the assignment and any other documentation that prove the candidate's and the team's experience and expertise **only** via e-mail to HRADF at the e-mail address **info@hraf.gr** marked "**23 REGIONAL AIRPORTS ASSESSMENT STUDY**". An offer shall be deemed valid as submitted only if it is sent via e-mail. 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). If there is any inconsistency between the hard copy and the submission via e-mail, the e-mail shall prevail. Offers must be submitted no later than **24 June 2016, 17:00 Athens time**, irrespective of the way of submission.