

## **A. REPORT OF THE "HELLENIC REPUBLIC ASSET DEVELOPMENT FUND S.A. (HRADF)" FOR THE PERIOD 01/01/2013 – 31/03/2013**

### **Report for the period**

#### *Summary*

In the third quarter of 2012-2013, the privatisation programme proceeded at a fast pace, with the end goal of minimising the impact from the delays that occurred as a result of the May / June 2012 elections.

The preparatory work carried out in the previous months and the speeding up of HRADF activities as of September 2012, enabled the programme as a whole to pick up speed.

#### *Privatisation Programme Progress*

In the quarter January – March 2013 the tender for selling a 33% stake in the share capital of the Hellenic Football Prognostic Organisation made headway, with the approval of the first draft of Sale and Purchase Agreement, whilst it entered the final phase awaiting the submission of binding financial offers.

The DEPA / DESFA tender is going forward with the approval of the tender documents for the submission of binding offers, which are now about to be submitted. It should be noted that in November 2012 five non-binding offers were submitted by the following investors:

- Gazprom for DEPA
- M&M GasCo for DEPA
- Negusneft (Sintez Group) for DEPA and DESFA
- PPF & GEK TERNA for DESFA
- Socar for DESFA

Moreover, the tender process for the development of Kassiopi, Corfu was concluded, with the acceptance of the financial offer of NCH Capital for the acquisition of 100% of the shares in the Special Purpose Vehicle S.A., to which HRADF will transfer the surface right for a period of 99 years for a consideration of 23 million Euro. This investment is expected to generate hundreds of new jobs in the area during the construction period. Moreover, the naval outpost on Kassiopi was transferred from its existing position to a new one within the HRADF plot, which was a prerequisite for the development of the property. The final approval by the competent auditing bodies is pending.

Moreover, the following tenders are under way:

- a. the sale of the properties in London, Nicosia, Brussels, Belgrade, Ljubljana and Tashkent
- b. development of the Hellinikon property, for which the tender documents for the final phase were also approved and signature of the confidentiality agreements with prequalified bidders took place. Meetings and visits to the Hellinikon site by the five bidders.

Moreover, during the January – March 2013 period, the following tenders were initiated and are under way

- a. the sale process for the Majority Stake in the Share Capital of ASTIR PALACE HOTEL S.A., which generated significant investor interest amongst domestic and international investors.
- b. the development of the property at Ag. Ioannis, Sithonia, Chalkidiki
- c. the development of the property in the area of Paliouri, Chalkidiki
- d. the sale of five commercial support areas (C.S.A.) located in the Elefsina Stavros Spata Airport Avenue and the West Regional Avenue of Imittos
- e. the sale of a 51% stake in the share capital of EYATH

- f. granting the right to exclusively organise and conduct pari mutuel betting on horse racing in Greece for 20 years.
- g. the development of 28 properties through sale & lease back, whose development in addition to financial gain will also significantly enhance their functionality. Moreover, the development of the properties of Thivon Street and Kifissias Ave, will enhance the efficiency of the public agencies.

Significant progress was made with the settlement of 10 pending government matters, increasing the number of pending legal matters that have been settled to 66 out of 87. The remaining pending government matters are proceeding in complete synchronization with the HRADF privatization time schedule.

The revenues of the privatization programme for the period January – March 2013 amounted to € 69 million and were generated from the sale of the usufruct on the Exploitation Right of the IBC.

At the same time HRADF proceeded in preparing the other assets, a fact that will allow the program to accelerate with the following being placed on the market within the second quarter of 2013.

- a. Egnatia
- b. Concession of a group of state airports
- c. Concession of a small group of ports and marinas
- d. TRAINOSE.

Moreover, in the second quarter of 2013 the development of Greece's commercial ports will commence.

#### **HRDAF Operation**

In the beginning of January Mrs. Eleni Papakonstandinou resigned from the Council of Experts, and was replaced on 24 January 2013 by Mr. Georgios Koutsoudakis, who remained on the Council of Experts until March 2013. Also, at the end of January 2013 Mr. Bernd Siegfried, another member of the Council of Experts resigned.

Moreover, in March 2013, Mr. Stylianos Stavridis was appointed chairman of the Board of Directors to replace Mr. Panagiotis Athanosopoulos, who resigned. Moreover, Mrs. Anna Zoirou was recalled from the Board of Directors and replaced by Mr. Georgios Koutsoudakis.

#### **Privatisation Programme Promotion**

The promotional activities for the quarter from January to March 2013 focused on informing the investors on the continuation of the privatization programme, as well as maintaining investors' appetite.

#### **Financial Results**

In the quarter January to March 2013, HRADF recorded a loss of €1.02 million. The results have been affected negatively by the provisions for doubtful receivables amounting to €307.3 thousand, specifically with respect to the Hellenic Motorways project. The project had come to a stop for a large period of time and efforts were made in order to restart it in collaboration with the consultants. The negotiations under way shows that no upfront payment will be generated from which the consultant's fees could be withheld. The financial benefit for the Hellenic Republic, besides the obvious development dimension, will be of a more long term nature.

The detailed Financial Statements for the period January – March 2013 are attached hereto.

## Investments

The Company invested € 1.1 thousand in tangible and € 30.0 thousand in intangible fixed assets in order to cover its operational needs.

## Events after the date of the Financial Position statement

In April Mr. Antonios Vartholomaïos resigned from the Board of Directors of HRADF.

In May the tender for selling a 33% stake in the share capital of the Hellenic Football Prognostic Organisation was completed, with the sale to Emma Delta Ltd, an investment fund managed by Emma Delta Management Ltd with Jiri Smejč (66.7%) and Georgios Melissanidis (33.3%), as the main shareholders, for a consideration of € 652 million. The dossier of the tender will be submitted directly to the Court of Auditors for the pre-contractual check, the Sale and Purchase Agreement for the shares will be signed after the approval of the Court of Auditors.

Moreover, the tender process for the sale of the properties in London, Nicosia, Brussels and Belgrade was completed, with a total purchase price of € 41 million, broken down as follows:

- a. The company Richard Deitz & Marina Nacheva was the highest bidder with a purchase price of € 27.4 million for the London property (2 Holland Park, W11 3TG).
- b. The company Tofarco Limited was the highest bidder for the property in Nicosia (Agios Prokopios str., Egkomi) with a purchase price of € 8.3 million.
- c. The company Home Invest Belgium was the highest bidder for the property in Bruxelles ( 25 Montoyer street, Leopold district) with a purchase price of € 3.2 million.
- d. The company KM6 Consortium was the highest bidder for the property in Belgrade (6 Kralja Milutina street) with a purchase price of € 2.1 million.

In April 2013 the following tenders were launched:

- a. concession of a group of airports and specifically the maintenance and operation of the airports of Rhodes, Kos, Santorini, Mykonos, Mytilene, Skiathos, Samos
- a. concession of a group of airports and specifically the maintenance and operation of the airports of Thessaloniki, Corfu, Zakynthos, Kefalonia, Aktio, Kavala, Chania
- c. concession of the right to use, operate, manage and exploit the Cluster of tourist ports of Alimos, Nea Epidavros, Hydra and Poros.

Other important events with respect to the development of assets were the following:

- a. the approval of the following eight investment groups to continue to the 2<sup>nd</sup> Phase of the tender for the development of the property in Paliouri, Chalkidiki:
  - LAMPSA Hellenic Hotels S.A.
  - LAMDA Development S.A.
  - Mind Compass Overseas Ltd
  - DOMOTECHNIKI S.A. – Technical, Commercial, Industrial and Tourist Companies
  - JSC DonskoyTabac
  - Ellinovalkaniki Holdings S.A.
  - Mendekides Ioannis & Georgios
  - Isaev Igor
- b. the approval of two investment groups to continue onto the second phase of the tender for the development of Commercial Support Areas (C.S.A.):
  - Kantza Business Operations and Development S.A.
  - I&S Sklavenitis S.A.

There was strong interest by international and domestic investment groups for the development of the property at Agios Ioannis, Sithonia, with an expression of interest from seven investment groups.

Moreover, two strong investment groups expressed their interest for granting the right to exclusively organise and conduct mutual betting on horse racing in Greece for 20 years. This right was held to date by the Hellenic Horse Race Betting Organization (ODIE).

In addition, four investment groups have expressed interest for the acquisition of a 51% share in the share capital of the Thessaloniki Water Supply and Sewerage Company S.A. ("EYATH").

Finally, the Board of Directors of HRADF approved eight (8) investment groups that will continue on to phase B of the tender for the sale and leaseback of 28 properties that belong to the Hellenic Republic. Major investment groups from Greece, the UK, USA, Luxembourg, and Cyprus went onto the next phase of the tender, which will commence shortly.

The tender process for the sale of properties in Ljubljana and Tashkent was restarted in May.

With respect to the development of the property at the Afandou Rhodes area, HRADF taking into account the interested investors in the context of the tender process and the views formulated by the local authorities in the context of the public deliberation for the Strategic Study for Environmental Consequences (SMPE), decided to cancel the current tender process and to proceed with a new tender process for the submission of binding offers in a single phase.

## FINANCIAL STATEMENTS FOR THE PERIOD 01/01/2013 – 31/03/2013

### 1. STATEMENT OF FINANCIAL POSITION

	<i>amounts in euro</i>	<i>amounts in euro</i>	<i>amounts in euro</i>	<i>amounts in euro</i>
	<b>30.6.2012</b>	<b>30.09.2012</b>	<b>31.12.2012</b>	<b>31.03.2013</b>
<b>ASSETS</b>				
<b>PROPERTY</b>				
<b>Non-current assets</b>				
Tangible Assets	473.132	457.437	428.707	393.129
Intangible Assets	176.102	198.917	183.606	183.354
Other Long-term Receivables	235.366.550	235.366.550	149.341.550	149.341.550
	<b>236.015.784</b>	<b>236.022.904</b>	<b>149.953.862</b>	<b>149.918.033</b>
<b>Current Assets</b>				
Receivables from customers	17.619.707	20.611.298	113.167.258	115.215.484
Other current assets	108.018.305	28.227.406	20.505.070	21.169.889
Cash and Cash Equivalents	70.892.018	13.867.688	6.222.891	6.664.460
	<b>196.530.029</b>	<b>62.706.392</b>	<b>139.895.219</b>	<b>143.049.833</b>
<b>Total Assets</b>	<b>432.545.813</b>	<b>298.729.295</b>	<b>289.849.081</b>	<b>292.967.866</b>
<b>EQUITY</b>				
Share Capital	30.000.000	30.000.000	30.000.000	30.000.000
Retained Earnings (previous year)	140.013	140.013	140.013	140.013
Losses (current financial year)		(1.228.447)	(3.062.589)	(4.080.063)
<b>Total Equity</b>	<b>30.140.013</b>	<b>28.911.566</b>	<b>27.077.424</b>	<b>26.059.950</b>
<b>LIABILITIES</b>				
<b>Long-term Liabilities</b>				
Payroll Provisions	0	0	56.328	67.003
Other Long-term Liabilities	235.334.900	235.334.900	149.309.900	149.309.900
	<b>235.334.900</b>	<b>235.334.900</b>	<b>149.366.228</b>	<b>149.376.903</b>
<b>Short-term Liabilities</b>				
Suppliers and Other Liabilities	166.265.629	34.011.006	112.480.305	110.568.958
Cash advances from customers	397.747	397.747	590.399	6.873.474
Tax-Dues Liabilities	407.524	74.077	334.725	88.581
	<b>167.070.900</b>	<b>34.482.830</b>	<b>113.405.429</b>	<b>117.531.013</b>
<b>Total Liabilities</b>	<b>402.405.800</b>	<b>269.817.730</b>	<b>262.771.657</b>	<b>266.907.916</b>
<b>Total Equity and Liabilities</b>	<b>432.545.813</b>	<b>298.729.295</b>	<b>289.849.081</b>	<b>292.967.866</b>

## 2. STATEMENT OF COMPREHENSIVE INCOME

	<i>amounts in euro</i>	<i>amounts in euro</i>	<i>amounts in euro</i>	<i>amounts in euro</i>
	<b>01.07.2012- 30.09.2012</b>	<b>01.10.2012- 31.12.2012</b>	<b>01.01.2013- 31.03.2013</b>	<b>01.07.2012- 31.03.2013</b>
Turnover - Sales	0	178.257	113.863	292.120
Cost of sales	0	(2.446.856)	(1.142.440)	(3.589.296)
<b>Gross Loss</b>	<b>0</b>	<b>(2.268.599)</b>	<b>(1.028.577)</b>	<b>(3.297.176)</b>
Other Operating Income (Expenses)	(416.096)	(707.336)	(81.911)	(1.205.343)
Administration Expenses	(1.087.304)	1.087.304	0	0
<b>Operating Loss</b>	<b>(1.503.400)</b>	<b>(1.888.631)</b>	<b>(1.110.489)</b>	<b>(4.502.520)</b>
Financial Income	275.879	58.063	96.953	430.895
Financial Expenses	(926)	(3.574)	(3.938)	(8.438)
<b>Net earnings for the period before taxes</b>	<b>(1.228.447)</b>	<b>(1.834.142)</b>	<b>(1.017.474)</b>	<b>(4.080.063)</b>
Income tax	0	0	0	0
<b>Net earnings for the period after taxes</b>	<b>(1.228.447)</b>	<b>(1.834.142)</b>	<b>(1.017.474)</b>	<b>(4.080.063)</b>

### 3. STATEMENT OF CHANGES IN EQUITY

*amounts in euro*

	Share Capital	Retained Earnings	Total Equity
Equity	30.000.000	0	30.000.000
Net Earnings for the Period 31/12/2011	0	3.729.485	3.729.485
<b>Balance, 31 December 2011</b>	<b>30.000.000</b>	<b>3.729.485</b>	<b>33.729.485</b>
Equity	30.000.000	0	30.000.000
Net Earnings for the Period 30/06/2012	0	140.013	140.013
<b>Balance, 30 June 2012</b>	<b>30.000.000</b>	<b>140.013</b>	<b>30.140.013</b>
Losses for the period 30/09/2012	0	(1.228.447)	(1.228.447)
<b>Balance, 30 September 2012</b>	<b>30.000.000</b>	<b>(1.088.434)</b>	<b>28.911.566</b>
Losses for the period 31/12/2012		(1.834.142)	(1.834.142)
<b>Balance, 31 December 2012</b>	<b>30.000.000</b>	<b>(2.922.576)</b>	<b>27.077.424</b>
Losses for the period 31/03/2013		(1.017.474)	(1.017.474)
<b>Balance, 31 March 2013</b>	<b>30.000.000</b>	<b>(3.940.050)</b>	<b>26.059.950</b>

#### 4. STATEMENT OF CASH FLOWS

amounts in euro  
01.01.2013-31.01.2013

##### Operating activities

Earnings before tax (continuing activities)	(1.017.474)
<b>Plus/less adjustments for:</b>	0
Depreciations	66.988
Impairments of tangible and intangible fixed assets	0
Provisions	307.383
Difference in liabilities related to retirement of personnel	10.675
Results of investment activity (income, expenses, profit and loss)	(96.953)
Debit interest and similar expenses	3.938
Plus/less adjustments for working capital account changes	0
Decrease / (increase) in reserves	0
Decrease / (increase) in receivables	(2.713.550)
(Decrease) / Increase in payables (excluding debt)	3.831.680
<b>Less:</b>	0
Debit interest and similar expenses paid	(3.938)
Tax paid	0
<b>Total inflows/(outflows) from operating activities (a)</b>	<b>375.270</b>

##### Investment activities

Acquisition of subsidiaries, associates and other investments	0
Purchase of tangible and intangible fixed assets	(31.159)
Receipts from disposal of tangible and intangible fixed assets	0
Interest received	97.459
Dividends received	0
<b>Total inflows/(outflows) from investment activities (b)</b>	<b>66.300</b>

##### Financial activities

Receipts from increase in share capital	0
Payments for decrease in share capital	0
Receipts from issued / undertaken loans	0
Loan repayment	0
Liabilities repayment of finance lease (amortization)	0
Dividends paid	0
<b>Total inflows/(outflows) from financial activities ©</b>	<b>0,00</b>

<b>Net increase/(decrease) in cash and cash equivalent (a)+(b)+(c)</b>	<b>441.570</b>
<b>Opening cash and cash equivalent</b>	<b>6.222.891</b>
<b>Closing cash and cash equivalent</b>	<b>6.664.460</b>