

Deals 2013 in Greece

Turning the corner

June 2014



PwC is a leader in mid cap M&A transactions

#1 *in number of mid- market deals
across Europe* and*

#2 *in value of mid-
market deals across Europe**



*Statistics for the mid – market of deals (€10 mln - €250 mln)

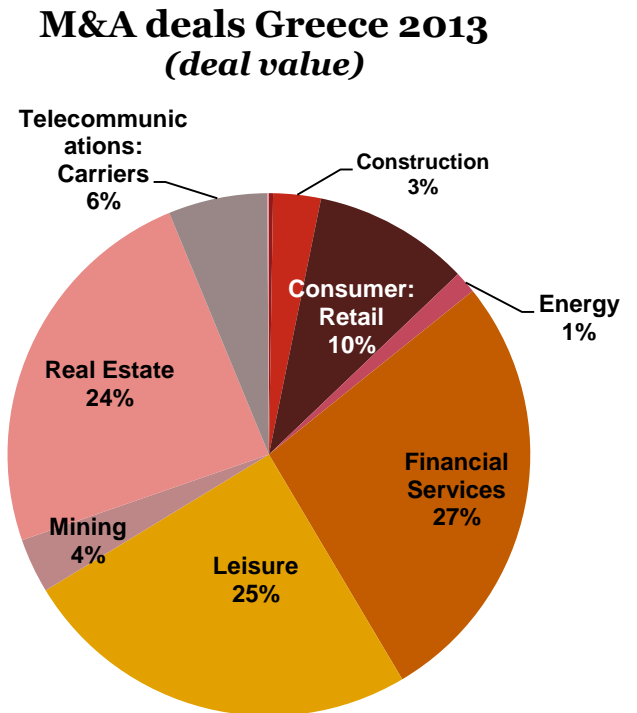
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Introduction

Greek corporates attracted about €6.2bn in 2013

- A number of sizeable M&A deals amounting to €3.3bn was completed in 2013 in a recessionary environment
- The restructuring of the banking sector and privatizations were the main drivers for M&A
- The stressed conditions of the domestic banking sector forced the biggest Greek companies to raise money directly from the international financial markets through bond issuance
- During 2013, about €2.85 bn were raised through international bonds with coupons ranging between 2.4%-9.8% and yields below Greek Government Bond yields

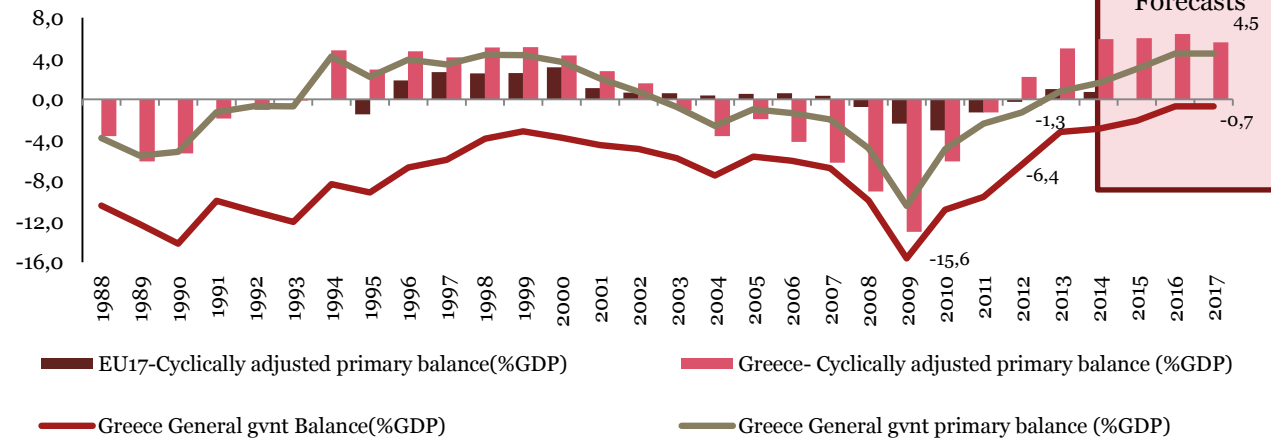


Macro economic snapshot

Public sector finances on their way to recover...

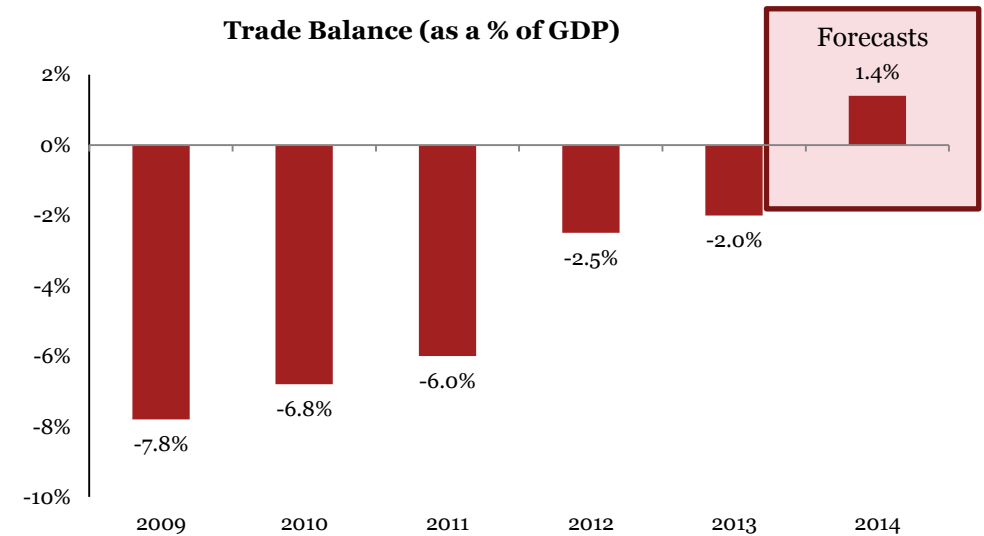
- Public finances have improved significantly, achieving primary surplus in 2013, while structural reforms are underway (tax administration, health and social security funds, etc.) or have already been implemented.

Greece - Fiscal Adjustment Figures



Source: National Statistical service; International Monetary Fund; Bank of Greece

- Adherence to the medium term stability program implementation has helped to reverse market expectations, resulting in improved liquidity conditions with a positive impact on the Greek economy in general

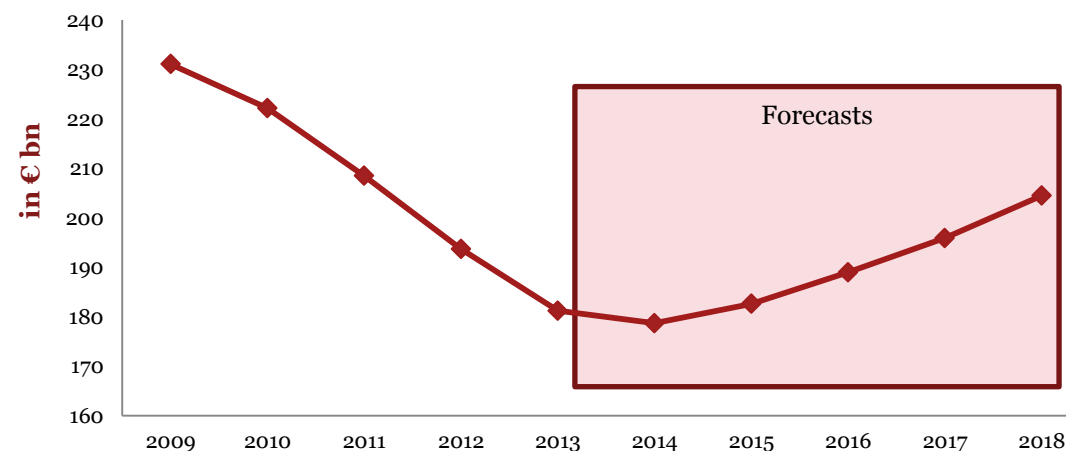


Source: National Statistical service; International Monetary Fund; Bank of Greece

...with positive signs

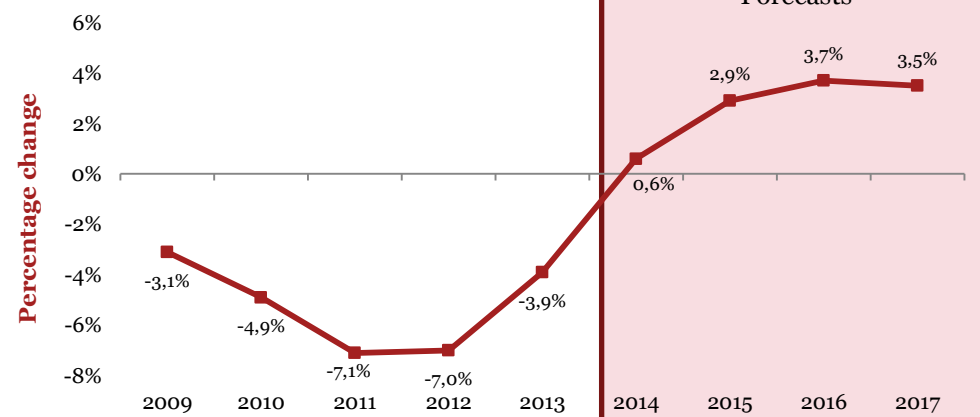
- GDP is predicted to bounce back in 2014. Current consensus estimates are that the annual real growth will be 0.6% in 2014 and average 2.3% in the 2015 - 2018 period
- The cyclical recovery is projected to accelerate with growth peaking at 3.7% in 2016 according to IMF due to stronger investment (reflecting both pent-up demand and new profit opportunities), net exports (reflecting further improvement in competitiveness), and ultimately private consumption (when real incomes recover).

Nominal GDP



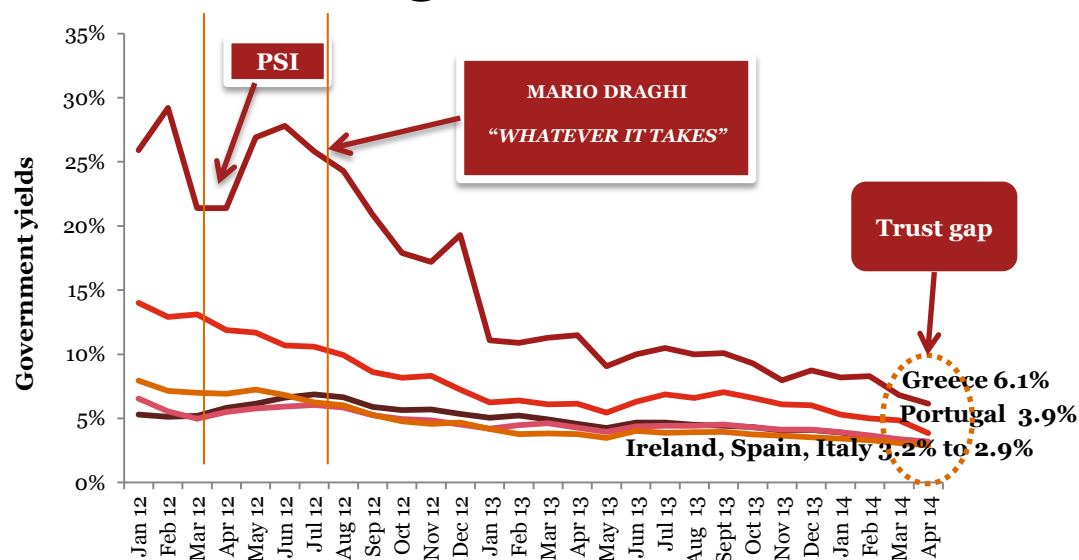
Source: Economist Intelligence Unit

Real GDP



Source: European Commission

...leading to restoration of trust in the Greek economy



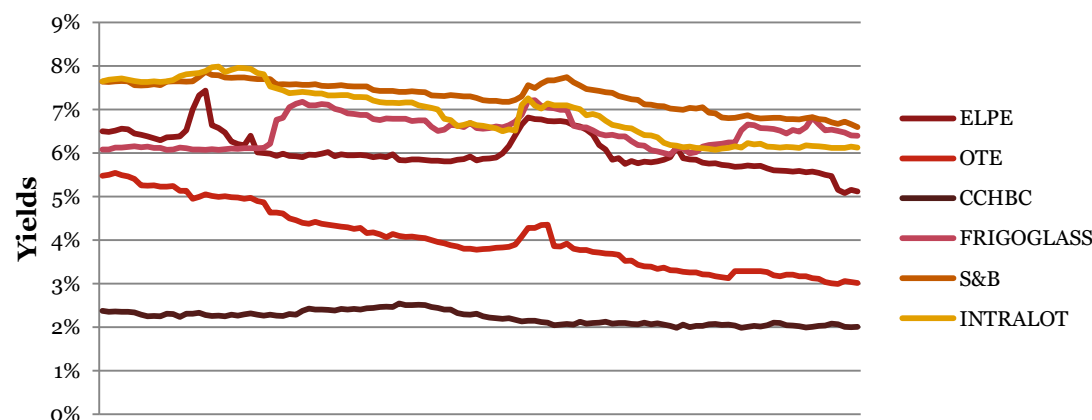
- Greek Government Bonds outperformed those of other Eurozone's periphery countries
- The Greek yields rose to unprecedented levels during the period 2010-2012 and returned in April 2014 back to 2010 levels
- Corporate bond yields also dropped significantly over the period showing a restoration of investors' confidence

Government yields (10 – years)

	April 2013	April 2014	Change
Greece	11.25%	6.14%	- 511
Germany	1.26%	1.50%	+ 24
Spain	4.69%	3.18%	- 151
Italy	4.32%	3.20%	- 112
Portugal	6.28%	3.94%	- 234

Source: Bloomberg

Yields of internationally issued corporate bonds



Source: Bloomberg

Indicative examples of confidence restoration

1

Cosco Pacific Limited announced new investment in Piraeus port of about €230 mn

2

Trans Adriatic Pipeline (TAP) which will run across Northern Greece is estimated to bring in more than €1 bln in foreign direct investment

3

Announced investment of €30 mn from Dolphin Capital for the creation of a tourist accommodation complex on the island of Kea

Transactions in 2013

Most of the transactions were driven by bank restructuring and privatizations

- Two of the transactions led by Piraeus Bank, were part of the extensive banking sector restructuring amounting to € 924mln
- Two of the transactions where in real estate investment trusts (€817 mln), both involving banks
- Two of the transactions, both in the gaming sector, were privatizations amounting to € 842mln (OPAP, Hellenic Lotteries)
- Two of the transactions where in the energy sector

There were 15 M&A transactions involving Greek companies in 2013 amounting to €3.3bn

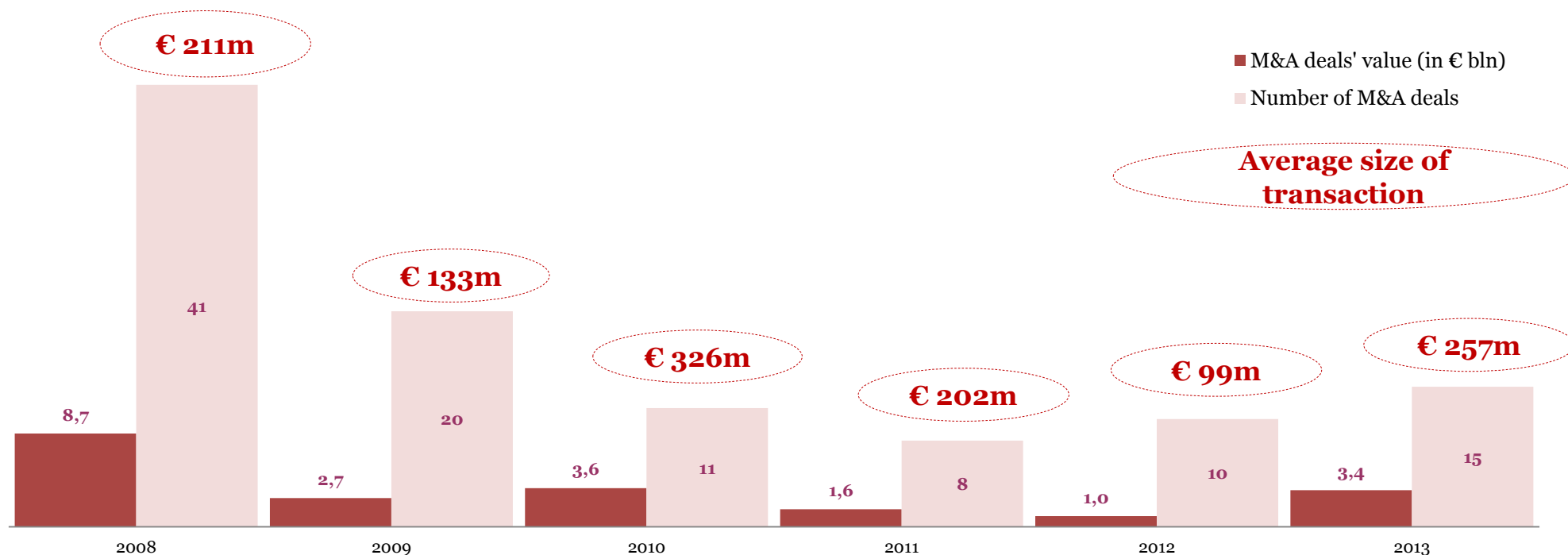
A/A	Announcement	Transaction description	Country of origin		Sector	Deal size (€ m)	Advisors	
			Bidder	Target			Bidder	Target / Seller
1	November	Invel Real Estate (Netherlands) II BV and BSG Real Estate Limited have agreed to acquire NBG Pangaea Real Estate Investment Company from National Bank of Greece SA	The Netherlands	Greece	Real Estate	653	Morgan Stanley	N/A
2	April	Emma Delta Ltd has agreed to acquire 33% stake in Greek Organization of Football Prognostics S.A (OPAP) from Hellenic Republic Asset Development Fund.	Cyprus	Greece	Services	652	N/A	Lazard
3	March	Piraeus Bank SA has agreed to acquire the Greek banking operations of Bank of Cyprus Public Company Ltd, Hellenic Bank Public Company Ltd and Laiki Group Ltd.	Greece	Cyprus	Banking	524	Barclays; Deutsche Bank AG; Lazard; UBS Investment Bank	N/A
4	June	Banco Comercial Portugues SA has agreed to acquire a minority stake in Piraeus Bank SA	Portugal	Greece	Banking	400	Citigroup	N/A
5	December	Dufry Group has agreed to acquire the remaining 49% stake in Hellenic Duty Free Shops S.A. from Folli Follie SA.	Switzerland	Greece	Commerce	328	Homburger; Karatzas & Partners; Slaughter and May; Wachtell, Lipton, Rosen & Katz	N/A
6	July	Hellenic Republic Asset Development Fund signed an agreement with Hellenic Lotteries consortium (Intralot Lotteries ltd, OPAP, Scientific Games Global Gaming S.a.r.l.) for Hellenic Lotteries	Greece/Italy	Greece	Leisure	190	Credit Suisse Securities Europe Ltd	Eurobank Equities SA
7	February	Arabsat has agreed to acquire a 99.05% stake in Hellas Sat from Hellenic Telecommunications Organisation SA (OTE).	Saudi Arabia	Greece	TMT	208	Generation Alfa ; Renaissance Capital	N/A

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A/A	Announcement	Transaction description	Country of origin		Sector	Deal size (€ m)	Advisors	
			Bidder	Target			Bidder	Target / Seller
8	October	Fairfax Financial Holdings Limited agreed to acquire Eurobank's rights in the share capital increase of Eurobank Properties REIC leading to a step up of its shareholding from c. 19% to c. 42%	Canada	Greece	Real Estate	164	Bank of America Merrill Lynch	Eurobank Equities SA
9	January	Rhone Capital (Delhi Holdings) has agreed to acquire a 38.74% stake in S&B Industrial Minerals SA .	Luxembourg	Greece	Mining	115	Eurobank Equities; Norton Rose Fullbright	BNP Paribas; Ermgassen
10	November	York Capital has agreed to acquire a 9.99% stake in GEK TERNA	US	Greece	Energy	100	Papapolitis & Papapolitis	N/A
11	May	Third Point Hellenic Recovery Fund has agreed to acquire an undisclosed stake in Greek oil & gas producer and explorer company Energean Oil & Gas S.A.	US	Greece	Energy	46	Papapolitis & Papapolitis	Axia Ventures Group
12	September	Polisan Holding AS , the listed Turkey based chemicals company, has acquired the chemicals business of Artenius Hellas	Turkey	Greece	Chemicals & materials	9	N/A	N/A
13	July	DONSKOY TABAK JSC acquired a 50.36% stake in SEKAP , the Greek tobacco producer	Russia	Greece	Tobacco	3	N/A	N/A
14	June	Theocharakis Group acquired 100% of PGA Hellas , the distributor of Renault and Dacia in Greece	Greece	Greece	Automotive	N/A	N/A	N/A
15	January	Ioannis Vezanis acquired a 73% stake in HSBC A.E.Δ.A.K. , the Greek mutual fund manager, subsidiary of HSBC Holdings	Greece	Greece	Financial Services	N/A	N/A	PwC

Total Value 3,392

M&A transactions number and values declined from 2008 to 2012 and appear to start recovering in 2013



- The volume and number of deals have been adversely affected by the country's economic conditions since 2009
- The average deal size has recovered since its 2012 low and compares to the 2010 levels

The recapitalisation of the Greek banking sector was completed in 2013 with the Hellenic Financial Stability Fund acquiring significant stakes in all systemic banks

A/A	Announcement Month	Transaction description	Deal size (€ m)	HFSF holdings (%)
1	June	National Bank of Greece SA.	8,677	84.4%
2	June	Piraeus Bank S.A	6,985	81.0%
3	April	Eurobank Ergasias SA	5,839	98,6%
4	May	Alpha Bank S.A	4,021	83.7%
			25,522	



Greek corporates issued 6 internationally traded bonds in 2013

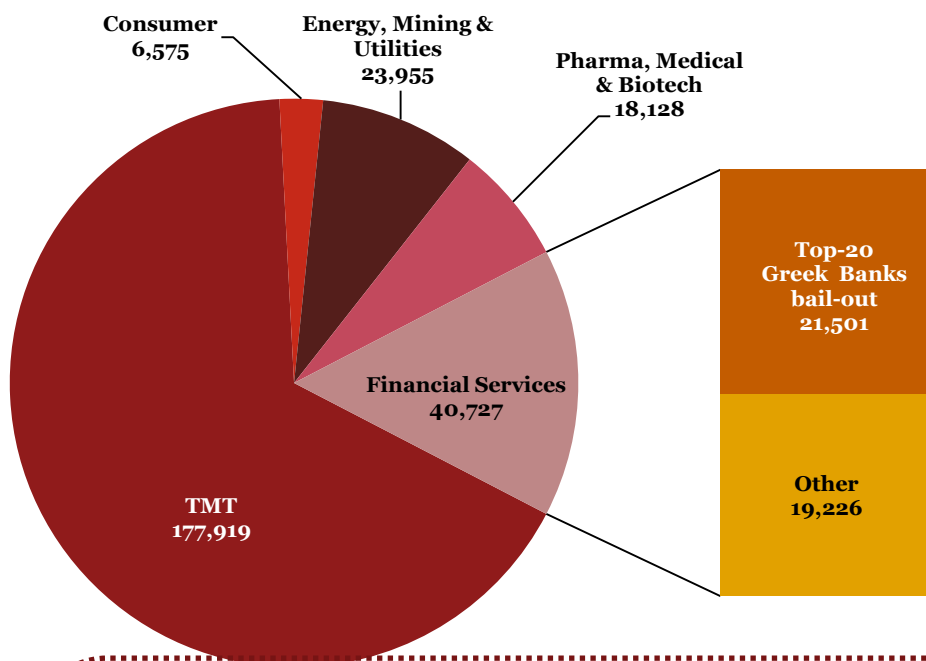
A/A	Issuer	Issue month	Duration (yrs)	Coupon (%)	Amount Issued (in € mln)	S&P Rating
1	Coca-Cola HBC Finance	June	7	2.375	800	BBB+
2	OTE PLC	February	5	7.87	700	BB-
3	Hellenic Petroleum Finance	May	4	8.00	500	N/A
4	Intralot	August	5	9.75	325	B+
5	SB Minerals Finance	August	7	9.25	275	B+
6	Frigoglass Finance	May	5	8.25	250	BB-
Total					2,850	

European M&A highlights

Top 20 announced deals for 2013 in Europe

Bidder	Target	Sector	Deal Value (€ mln)	Date
Verizon Communications Inc	Verizon Wireless Inc	TMT	94,065	2/9/2013
AerCap Holdings NV	International Lease Finance Corporation	Financial Services	19,226	16/12/2013
Liberty Global Inc	Virgin Media Inc	TMT	18,485	6/2/2013
American Movil SAB de CV	Koninklijke NPV NV	TMT	17,001	9/8/2013
Publicis Groupe SA	Omnicom Group Inc	TMT	14,587	28/7/2013
Russian Grids OAO	Federal Grid Company of Unified Energy System OAO	Energy, Mining & Utilities	11,050	8/4/2013
Hellenic Financial Stability Fund	National Bank of Greece SA	Financial Services	8,677	21/6/2013
Vodafone Group Plc	Kabel Deutschland Holding AG	TMT	8,634	24/6/2013
Telefonica Deutschland Holding AG	E-Plus Mobilfunk GmbH & Co KG	TMT	8,550	23/7/2013
Eurasian Resources Group BV	Eurasian Natural Resources Corporation Plc	Energy, Mining & Utilities	7,772	24/6/2013
Hellenic Financial Stability Fund	Piraeus Bank SA	Financial Services	6,985	28/6/2013
Joh A Benckiser SE	DE Master Blenders 1753 NV	Consumer	6,575	12/4/2013
Actavis Inc	Warner Chilcott Plc	Pharma, Medical & Biotech	6,546	20/5/2013
Activision Blizzard Inc; and Leopard Green & Partners LP	Activision Blizzard Inc	TMT	6,175	25/7/2013
Royalty Pharma	Elan Corporation Plc	Pharma, Medical & Biotech	5,984	18/4/2013
Hellenic Financial Stability Fund	Eurobank Ergasias SA	Financial Services	5,839	30/4/2013
McKesson Corporation	Celesio AG	Pharma, Medical & Biotech	5,598	24/10/2013
Microsoft Corporation	Nokia Oyj (Devices & Services Business)	TMT	5,440	2/9/2013
Royal Dutch Shell Plc	Repsol SA (LNG Assets)	Energy, Mining & Utilities	5,133	26/2/2013
Altimo	Orascom Telecom Holding SAE	TMT	4,982	31/3/2013

Telecoms, Media & Technology and Financial services account for the 65% of top deals



Sector	Deal Value (€ mln)	% of Value	No of Deals	% of deals
Consumer	6,575	2.5%	1	5%
Energy, Mining & Utilities	23,955	9%	3	15%
Financial Services	40,727	15%	4	20%
Pharma, Medical & Biotech	18,128	6.8%	3	15%
TMT	177,919	66.7%	9	45%
Grand Total	267,304		20	

- 45% of the top-20 deals refer to the Telecoms, Media & Technology sector with a total deals' value of €177,919 mln (67% of total deals' value)
- 20% of the top-20 deals refer to the Financial Services sector most of them referring to the bail-out funds of the Greek banking sector

Financial Advisors

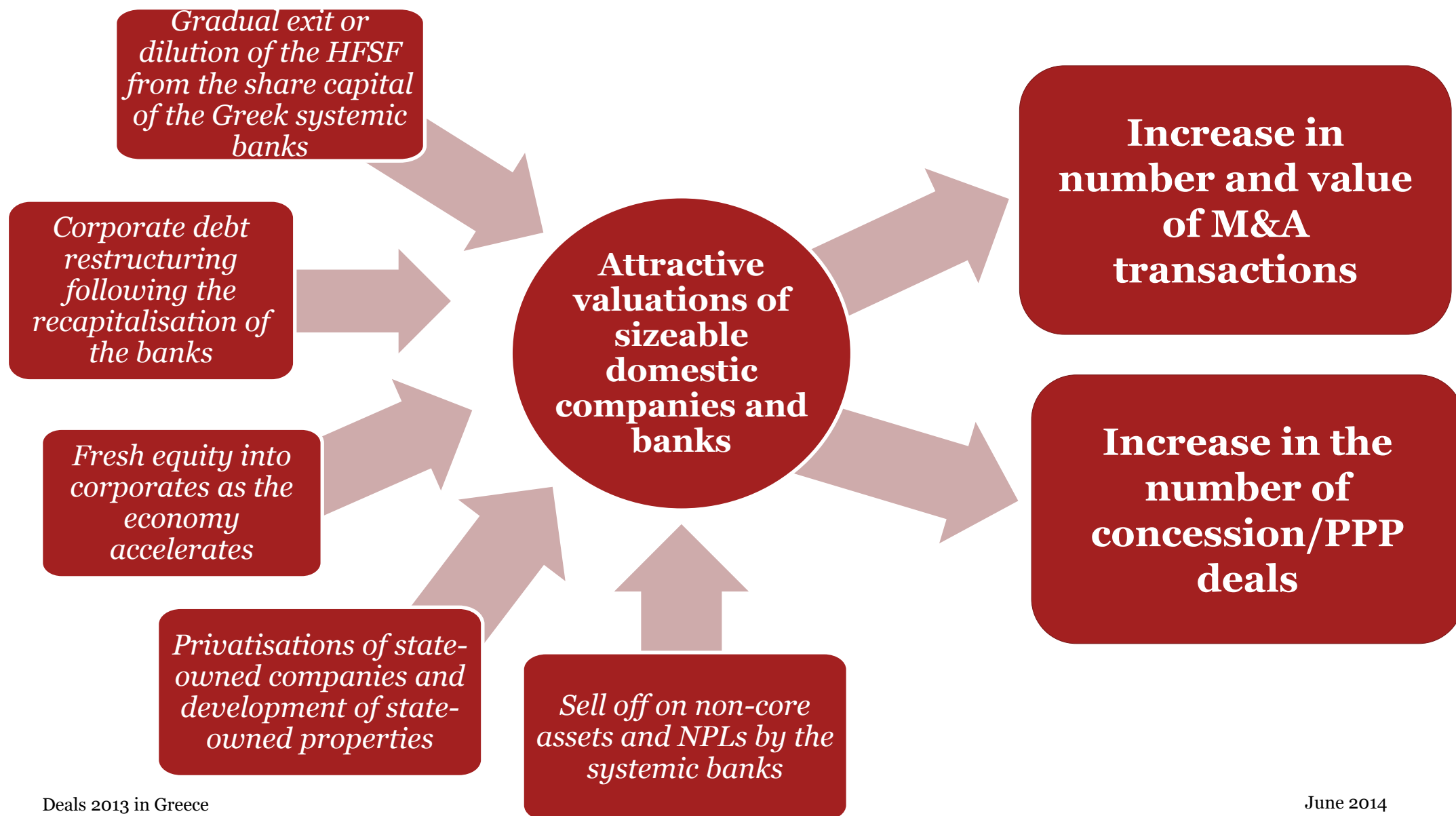
Europe financial Advisors for mid – market deals in 2013 (€10 mln - €250 mln) in Europe

2012	2013	Company Name	Value (€ m)	# Deals
1	1	Rothschild	6,978	62
2	2	PwC	5,086	69
3	3	KPMG	4,692	62
4	4	Lazard	4,004	31
8	5	EY	3,950	55
11	6	Goldman Sachs	3,895	28
15	7	Citi	3,602	26
32	8	DC Advisory	2,909	27
10	9	Deloitte	2,848	52
14	10	Barclays	2,844	22
12	11	Societe Generale	2,750	23
17	12	BNP Paribas	2,745	25
7	13	Morgan Stanley	2,445	18
26	14	Canaccord Genuity	2,385	27
5	15	JPMorgan	2,349	19
20	16	UniCredit Group	2,343	26
19	17	Bank of America Merrill Lynch	2,077	23
28	18	SEB	1,931	17
47	19	Banca IMI / Intesa Sanpaolo	1,884	14
18	20	Nomura Holdings	1,854	11

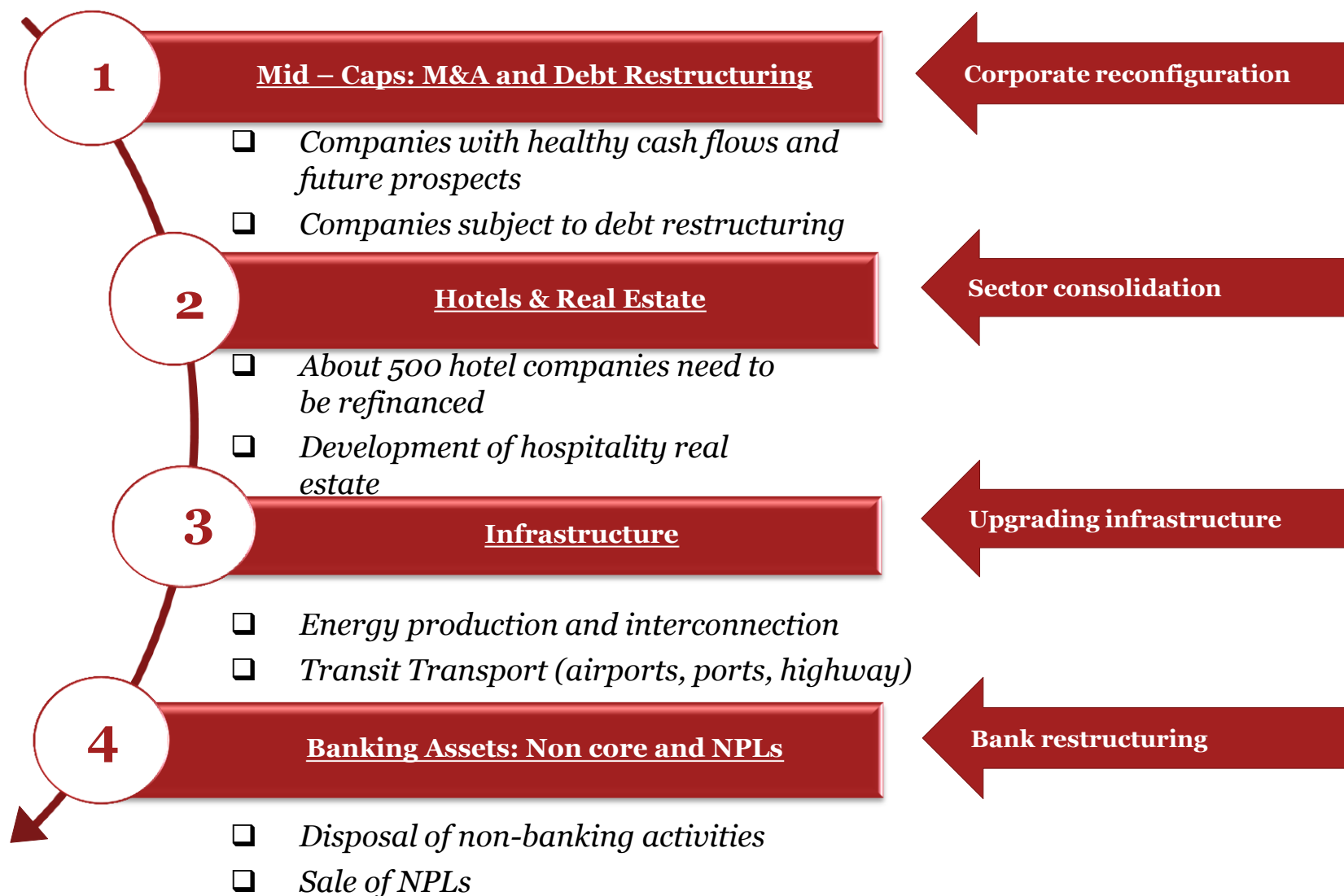
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15	13	Societe Generale	2,750	23
21	14	Bank of America Merrill Lynch	2,077	23
19	15	Barclays	2,844	22
9	16	JPMorgan	2,349	19
7	17	Morgan Stanley	2,445	18
11	18	Jefferies	1,848	18
24	19	SEB	1,931	17
29	20	BDO	670	17

Future M&A Dynamics

M&A Dynamics from 2014 onwards



Opportunities for M&As



Early 2014 M&A deals

Completed

Fairfax Financial Holdings acquires the Greek operations of the “Praktiker” chain of stores

Oaktree Capital has agreed with Hotel Sani S.A to mutually develop a new chain of luxury hotels in Greece

Eurobank Ergasias SA successfully managed to raise €1.4bln in new equity from strategic investors

Delta Foods S.A., has agreed to acquire 43% of Mevgal S.A. for €4.5 mln

Lamda Development acquired 100% of the former airport at Hellinikon for €915 mln (subject to approval)

Socar, State Oil Company of Azerbaijan, won the auction to acquire a 66% stake in DESFA SA for €592 mln (subject to approval)

Jermyn Street Real Estate Fund IV has agreed to acquire 90% of Astir Vouliagmenis SA for €400 mln (subject to approvals)

Expected to be completed in 2014

Concessions of regional airports, marines and small ports to investment schemes

Privatisations of EYATH

Sale of a strategic percentage in PPC-owned power transmission operator, ADMIE

Privatisations of OLTH and OLP

Bonds' issuance in 2014

Completed

- ✓ Piraeus bank raised €500 mln
- ✓ National Bank of Greece raised €750 mln

Expected to be completed in 2014

FTSE-25 Companies are expected to raise about €2.5 bln through bonds' issuance



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