

GREEK DAILY BRIEF

Friday Nov. 5, 2010

Statistics

Athens Stock Exchange

				Shares
MCap(€bn)	56.9		▲	66
Turnov er (€mn / mn shares)	116.3 / 29.66		—	133
Blocks (€mn / mn shares)	3.7 / 1.38		▼	95
Indices	04.11.10	(%) 1day	(%) 30day	(%) Ytd
ASE General	1,497.75	-1.27	-0.36	-31.80
FTSE 20	715.32	-1.59	-1.75	-36.44
FTSE 40	1,622.88	-0.94	-1.41	-37.92
FTSE 80	274.83	-0.26	-0.83	-35.74
FTSE International	1,892.15	-1.50	-1.72	-36.49
Banks	1,456.93	-1.96	-5.13	-45.26
Telecoms	1,596.49	1.40	4.13	-43.63
Travel & Leisure	2,307.80	-2.94	9.39	-17.67
Construction	2,321.45	-0.50	-0.08	-31.77
ETF Alpha FTSE 20 ldx	7.15	-1.79	-1.38	-34.05
DAX 30	6,734.69	1.77	8.35	13.05
CAC 40	3,916.78	1.92	4.95	-0.50
FTSE 100	5,862.79	1.98	4.03	8.31
Dow Jones	11,434.84	1.96	4.48	9.65
Nasdaq	2,577.34	1.46	7.40	13.58
S&P 500	1,221.06	1.93	5.20	9.50
Nikkei 225	9,625.99	2.86	1.13	-8.73
Hong Kong (HSI)	24,781.09	1.00	9.46	13.30
Russia (RTS)	1,613.60	0.55	4.60	11.70
Turkey (ISE 100)	70,905.39	3.35	6.97	34.23
Romania (Bucharest)	5,197.89	-0.53	-0.32	10.82
Bulgaria (Sofia)	342.30	-0.49	-8.13	-19.89
Cyprus	1,252.56	-0.77	-1.29	-21.58
Commodities				
Brent ICE (\$/bbl)	88.58	0.66	4.17	6.06
WTI NYM (\$/bbl)	86.97	0.55	3.98	3.38
Gold CMX (\$/troy oab.)	1,387.30	0.30	3.51	25.65
Aluminum LME (\$/mt)	2,458.00	1.65	4.02	10.22
Copper LME (\$/mt)	8,599.00	1.56	6.63	16.60
Carbon Fut. (€/mt)	14.68	-2.20	-5.72	10.21
Currencies				
EUR/USD	1.4211	-0.12	3.20	-1.35
USD/JPY	80.70	0.32	3.28	14.47
EUR/GBP	0.876	-1.00	-1.00	1.75
Rates	Price	Yield(%)		
Euribor 3m (%)	-	1.05		
10Yr Bond (GR)	70.23	11.59		
10Yr Bond (GE)	111.35	2.21		
10Yr Bond (US)	107.48	2.16		

ASE Ind. Fut.	04.11.10	(%) day	Prem/Disc % / bps	Volume	Open Interest	Days to Expiry
FT20 Dec	695.95	-2.27	-2.71 / -19	12,828	26,044	42
Greek Banks	04.11.10	(%) 1 day	(%) 1 month	(%) Ytd		
National Bank	7.38	-0.9	-0.1	-52.0		
EFG Eurobank	4.10	-4.7	-13.7	-48.0		
Alpha Bank	4.55	-3.6	-8.3	-44.5		
Piraeus Bank	3.31	-2.4	-14.0	-59.1		
Bank of Cyprus	3.34	-0.3	4.4	-10.9		
Marfin Popular Bank	1.32	-2.9	-13.2	-42.4		
ATEbank	0.78	-2.5	-12.4	-59.8		
Emporiki Bank	1.89	-2.1	-8.3	-56.8		
Hellenic PostBank	3.20	-5.9	-21.8	-27.6		
Bank of Greece	31.19	0.1	3.0	-32.9		
Egnatia Bank	0.96	0.0	4.3	-45.8		
Geniki Bank	2.08	-1.9	-3.7	-73.3		
Bank of Attica	0.97	-1.0	-8.5	-42.9		
Aspis bank	0.34	0.0	-8.1	-56.3		
Proton Bank	0.85	-2.3	-15.0	-57.5		
FTASE 20						
National Bank	7.38	-0.9	-0.1	-52.0		
OTE	5.80	1.4	4.1	-43.6		
Coca Cola HBC	19.10	0.0	0.4	19.4		
EFG Eurobank	4.10	-4.7	-13.7	-48.0		
Alpha Bank	4.55	-3.6	-8.3	-44.5		
OPAP	13.01	-3.3	10.3	-15.2		
Piraeus Bank	3.31	-2.4	-14.0	-59.1		
PPC	11.93	-0.1	2.8	-8.2		
Bank of Cyprus	3.34	-0.3	4.4	-10.9		
Marfin Pop. Bank	1.32	-2.9	-13.2	-42.4		
MIG	0.70	-4.1	-17.6	-61.6		
ATEbank	0.78	-2.5	-12.4	-59.8		
Hellenic Petroleum	5.41	-2.5	-5.9	-30.7		
Titan Cement	15.45	-0.6	-0.1	-24.0		
Jumbo	5.17	-2.3	3.8	-41.7		
Hellenic Technodomiki	3.25	0.3	4.8	-36.9		
Hellenic PostBank	3.20	-5.9	-21.8	-27.6		
Motor Oil	7.70	-1.3	5.8	-27.6		
Viohalco	3.51	-3.8	-6.1	-11.6		
Mytilineos	4.41	-0.9	3.3	-12.2		

* ranked by Market Cap.

Note: Commodities, currencies and rates as at 08:30 today

Source: Bloomberg

Market Comment

The Greek market declined 1.27% yesterday on turnover of €116mn. FTSE 20 index declined 1.59%, while banks fell -1.96%. The market surprisingly went down on Thursday, despite a positive start and with the GI ending below 1,500, underperforming European peers after it erased intraday gains. European and US markets surged yesterday under a strong, broad-based buying appetite one day after the Fed unveiled plans for further quantitative easing. US three major equity averages set fresh 2-year highs. Fed's plan to purchase another \$600bn of longer-term treasuries reflected its accommodative stance and was welcomed from global markets. European futures opened slightly higher today. Our domestic market remains compressed by fiscal considerations, as bond markets strongly reversed the positive momentum in the previous month.

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Highlights

Economic News

- **ECB** maintained once more a steady basic refinancing rate at 1%, with chairman Mr. Trichet repeating that ECB's decision on the continuation or cancellation of its temporary liquidity support measures will be taken in December. Although risks for Eurozone's economic growth are still present, a positive momentum is still on track according to ECB's estimates. **Bank of England** also maintained a steady rate at 0.5%.
- **Greek 10year government bond** spread against the German Bund exceeded 900 bps yesterday.
- **IMF economist** reportedly (WSJ) warned that some European banks would struggle to meet new liquidity requirements, as European investment and commercial banks would have trouble meeting new long-term liquidity standards given their greater reliance on wholesale funding and high loan-to-deposit ratios. The IMF report further warns that financial institutions, when faced with this difficulty, might move to "lightly regulated" sectors, thereby giving rise to the risk of a fresh financial crisis.

Corporate News

- **Fitch Ratings** in a report yesterday argued that the four major Greek banks' financial performance and risk profile will largely depend on sovereign developments in Greece. The fiscal and macroeconomic deterioration in Greece in conjunction with the multiple downgrades of Greece's sovereign rating ('BBB-/Negative' has in Fitch's opinion led to a close correlation between Greek sovereign and Greek bank risk, the firm noted in the report. Consequently, the Long-term Issuer Default Ratings (IDR) of Greece's four largest banks are now underpinned by Fitch's assessment of sovereign and international support, are on their Support Rating Floor of 'BBB-' and equalised with Greece's sovereign rating. Any negative rating action on Greece is likely to be mirrored in the ratings of Greek banks. Greece's four largest commercial banks are National Bank of Greece, Eurobank, Alpha Bank and Piraeus Bank.
- **OTE** released its Q3 results yesterday, posting a better-than-expected Q3 2010 net group profit to €126.3mn -22.6% lower yoy and EBITDA at €495mn (-13% yoy). Revenues stood at €1.39bn (-8.4% yoy). More below.
- **OPAP's** agents have scheduled a general assembly on November 15 & 16 in order to decide further action concerning their requests towards the Company and the state.

Published Q2 2010 Results

Focus List

- **OTE (Hellenic Telecom Organization)**
- **Coca Cola Hellenic**

Released **Thu. Nov 04th** bmkt
Released **Wed. Oct 27th** bmkt

Other Companies:

Consensus Estimates Q2 2010 Results

Focus List

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Investment ToolKit

Greek corporate Action Calendar

Earnings Releases

Splits, Bonus, Private placements, Public Offers, Divs-predivs, AGMs-EGMs, stock-options etc

Quants Insight,

Arbitrage, M&As, Share capital increases, IPOs etc

Restricted to ATE Securities SA clientele. Available upon request by the ATE Securities R&A Dpt.
See Important Disclosures and Analyst Certification at the end

Economic News

Corporate News

Published Q3 2010 Results

OTE

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Released Thu. Nov 04th bmkf

Q3 Published Results

(€mn)	Q3 10A	Q3 09A	Q3 10E	(%) A	(A-E) %
Sales	1,390.0	1,516.8	1,374.5	-8.4%	1.1%
EBITDA	495.0	571.0	496.4	-13.3%	-0.3%
Net Income	126.3	163.1	114.8	-22.6%	10.0%

Source: Published Financial Statements, consensus of selective estimates

9m Published Results

(€mn)	9m 10A	9m 09A	9m 10E	(%) A	(A-E) %
Sales	4,159.3	4,458.9	4,143.8	-6.7%	0.4%
EBITDA	1,436.9	1,655.5	1,438.3	-13.2%	-0.1%
Net Income	131.3	434.5	119.8	-69.8%	9.6%

Source: Published Financial Statements, consensus of selective estimates

OTE posted a better-than expected net result of €126.3mn in Q3 2010, bringing the 9month profit to €131.3mn (-70% yoy) and approximately +10% above analysts' expectations. Group EBITDA stood at €495mn in Q3 and €1.43bn in the 9month period, sliding by -13% yoy in line with consensus. Sales in Q3 fell by -8.4% yoy to €1.39bn and by -6.7% in the 9m to €4.16bn.

OTE cited a deteriorating consumer environment and intense competition across all countries in which it operates. The Group's performance in the third quarter of 2010 is illustrative both of the accomplishments of the past years and of the challenges it still face. Over the past six years, the business has changed dramatically, and so has its operating environment. Fixed-line voice telephony, which accounted for over two-thirds of OTE's revenues in 2004, currently contributes barely more than one-third of the total, as the company built a regional powerhouse in mobile, broadband, and – increasingly – other value-added services as well. According to the new CEO Mr. M. Tsamatz, OTE has still much work to do to reform its organization and complete its transformation into a market-driven competitor with a rational cost structure. Meanwhile, management's first priority will be to ensure that all users of OTE's services enjoy a superior customer experience and that all company brands offer an uncompromising quality.

Total operating expenses excluding depreciation & amortization amounted to €901.5mn in Q3 2010, declining by 3.6% from the comparable 2009 quarter, mainly reflecting lower charges from domestic telephony operators. Personnel expenses decreased by 5.4%, largely due to a 7.2% drop in Greek fixed-line payroll, positively affected by the reversal of a €4.5mn provision for employee bonuses. Provisions for doubtful accounts were up sharply from an exceptionally low level in Q3 2009, when they had benefited from the sale of bad debt receivables at Globul as well as below-average charges in Greek fixed-line following two quarters of high provisioning.

Capital expenditures decreased by 13.7% in Q3 2010 compared to Q3 2009, reaching €169.3mn, reflecting lower investments at most companies of the Group. Total capex as a % of Group revenues in Q3 2010 was 12.2%, as compared to 13.0% in Q3 2009. Capital expenditures in Greek fixed-line, Romanian fixed-line, and mobile operations amounted to €48.6mn, €24.5mn and €93.3mn, respectively.

Coca Cola Hellenic

Analyst: [Anthony Christofidis](mailto:AChristofidis@ate.gr) +30 210 36 87 852

Released Wed. Oct 27th bmkf

Q3 Published Results

(€mn)	Q3 10A	Q3 09A	Q3 10E	(%) A	(A-E) %
Volume (mn unit)	610.5	583.6		4.6%	-
Sales	1,998.6	1,884.8		6.0%	-
EBITDA	381.3	374.7		1.8%	-
Net Income	206.5	206.1		0.2%	-

Source: Published Financial Statements, consensus estimates

9m Published Results

(€mn)	9m 10A	9m 09A	9m 10E	(%) A	(A-E) %
Volume (mn unit ca)	1,619.5	1,617.0		0.2%	-
Sales	5,298.7	5,150.5		2.9%	-
EBITDA	889.0	856.8		3.8%	-
Net Income	403.1	396.1		1.8%	-

Source: Published Financial Statements, consensus estimates

CCH reported Q3 sales of €1,998.6mn (+6% yoy & +0.9% from consensus) on volumes of 610.5mn u.c. (+5% yoy). Reported EBITDA grew 2% at €381.3mn, while net profit was flat at €206.5mn. On a comparable basis, net profit stood 3% higher at €216.1mn (albeit -1.5% lower from consensus).

Russia had a strong performance during the quarter, given an exceptionally warm weather in July and August, and fuelled the emerging segment to post 14% volume growth. The developing and established markets had volume declines in Q3, both performing worse than expected, while the key markets of Italy, Greece and Hungary remained challenging.

Revenue was up by 6% with FX benefits coming at 4% in line with our estimates and more than trading off a c.2.5% negative price/mix effect. On a per case basis, revenues were 1% lower on a currency neutral basis with the established segment flat, 5% lower in the developing segment and 2% higher in the emerging markets. Underlying EBITDA stood at €395.1mn, 4% yoy higher. EBITDA margin was 30bps lower at 19.8%. Underlying EBIT came at €300.2mn, posting a 13.8bps improvement. CCH also recorded €20mn pre tax restructuring costs out of the total €25-30mn for the full year.

Management reiterated its FCF and capex guidance for the period 2010-2012 at €1.5bn and €1.4bn respectively.

Other Companies:

	Net Interest Income (€m n)			Total Income (€m n)			Net Income (€m n)			Basic EPS (€)		
BANK	9m 10	9m 09	Change	9m 10	9m 09	Change	9m 10	9m 09	Change	9m 10	9m 09	Change
Geniki Bank	99.90	116.90	-14.5%	126.20	146.70	-14.0%	-304.10	-51.40	-491.6%	-8.567	-2.185	-292.0%

	Net Interest Income (€m n)			Total Income (€m n)			Net Income (€m n)			Basic EPS (€)		
BANK	9m 10	9m 09	Change	9m 10	9m 09	Change	9m 10	9m 09	Change	9m 10	9m 09	Change
Emporiki	478.09	387.05	23.5%	561.00	551.70	1.7%	-745.20	-472.30	-57.8%	-1.661	-2.569	35.4%

Consensus Estimates Q3 2010 Results

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Share Price

All financial data calculated, are based on the closing price of the previous day, unless otherwise stated.

Frequency of Disclosures

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Companies Mentioned in the Report

Company	BBG-RIC Code	Price	Date	View	Disclosures
OPAP	OPAP GA / OPAr.AT	€ 13.01	04.11.2010	O	-
OTE	HTO GA / OTEr.AT	€ 5.80	04.11.2010	NR	-

Disclosure Outline

- 1 ATE Securities SA and / or any of its affiliates owns 5% or more of the total share capital of the Company
- 2 The Company and / or its affiliates owns 5% or more of the total share capital of ATE Securities SA and / or its affiliates
- 3 ATE Securities SA acts as a market maker for the securities of the Company
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- 11 i ATE Securities SA has sent this report to the company prior to publication for factual verification
- ii ATE Securities SA has altered the contents of the report sent initially, on the following issues: NO ALTERATION

EQUITY RATING SYSTEM

As of Aug.1 2006, ATE Securities SA has adopted a new rating system. Under the old rating system, ratings and definitions were: Buy, when the estimated valuation fair value exceed current market price by 20% or more, Sell, when the current market price exceed the estimated valuation fair value by 20% or more and Hold, when the estimated valuation fair value falls between the two above range points.

ATE Securities SA - Universe

ATE Securities SA Universe has a universe focused mainly on large capitalisation stocks that represents approx. 76% of ATHEX Market Cap.

Guide to Investment Research Rating System

Under the new Investment Research Rating System, in effect as of Aug.1 2006, **Investment Outlook** refers to the overall view of the analyst covering the company and is not a recommendation. The overall assessment of the company includes a *three factor rating system*: **Investment Rating (O, N, U, NR, UR, R, RS, CS) - Risk Rating (1, 2, 3) - Income Rating (1, 2, 3, 4)**.

Quantitative factors are updated at least quarterly or when deemed necessary.

Investment Rating

The five different categories are indicative of expectations of stock return. Stock return includes price appreciation over the next 6-12 months. In specific:

VIEW	Prefix	Definition
Overweight	O	Stock Return > +9%
Neutral	N	Stock Return in the range [-9%, +9%]
Underweight	U	Stock Return < -9%
Not Rated	NR	The company is not covered by ATE Securities SA Research & Analysis Department
Under Review	UR	Rating not currently available
Restricted	R	ATE Securities SA policy and/or law prohibits investment recommendation
Rating Suspended	RS	There is no sufficient fundamental basis for determining an investment rating or target.
Coverage Suspended	CS	We have suspended coverage on this company

Risk Rating

Risk is measured by a 2-factor equally-weighted model, which takes into account (i) Stock Volatility and (ii) Liquidity

Risk Factor	Definition	Quantification ⁽¹⁾
Stock Volatility	The stocks' standard deviation annualized (log scale)	Bottom 25% percentile
		Medium 25% percentile
		Top 50% percentile
Liquidity	Net Shares traded as % of total shares over a 12-month period	Top 20% percentile
		Medium 40% percentile
		Bottom 40% percentile

(1) percentiles of ATE Securities SA Universe

Source: Athens Stock Exchange, Bloomberg, Effect Finance Database

We use a scale of 1 to 3 to describe Low, Medium, High risk respectively, also taking into account qualitative factors.

When a rating is applied on an IPO, the scale 3 - "High Risk" is applied for a 12-month period.

Income Rating

An Income Rating is produced, based on the forecasted dividend yield for a 12-month period. This is then compared with the YtM of the 10-yr Greek Government bond, as shown below:

Income Measure	Definition	Quantification
Equity Div. Yield	Relative performance w.r.t. the 10-yr Greek Government bond	More than 50bps
		Within the range [-50bps, +50bps]
		Less than 50bps
		No dividend
		<i>High Div. Yields</i> <i>Medium Div. Yields</i> <i>Low Div. Yields</i> <i>No Cash div. Yields</i>

We use a scale of 1 to 4 to describe Low, Medium, High and No Div. income rating respectively.

ATE Securities SA Ratings Distribution

Ratings Distribution	Total	Overweight	Neutral	Underweight	Not Rated	Under Review	Restricted	Rating Suspended	Coverage Suspended
Equity Universe	25	5 (20%)	3 (12%)	0 (0%)	14 (56%)	2 (8%)	1 (4%)	-	-
Invest. Banking Services (per category)	0	-	-	-	-	-	-	-	-

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