

# GREEK DAILY BRIEF

Friday Dec. 17, 2010

## Statistics

### Athens Stock Exchange

			Shares	
MCap(€bn)	57.6	▲	69	
Turnover (€mn / mn shares)	67.7 / 20.05	—	65	
Blocks (€mn / mn shares)	3.4 / 2.14	▼	71	
Indices	16.12.10	(%) 1day	(%) 30day	(%) Ytd
ASE General	1,487.39	0.16	1.55	-32.27
FTSE 20	709.62	0.18	2.46	-36.94
FTSE 40	1,539.20	0.02	0.00	-41.12
FTSE 80	271.22	0.81	2.74	-36.58
FTSE International	1,867.54	0.16	2.17	-37.32
Banks	1,390.54	0.61	1.87	-47.76
Telecoms	1,857.98	-2.88	8.00	-34.40
Travel & Leisure	2,311.63	0.73	2.56	-17.54
Construction	2,367.74	-0.46	1.43	-30.41
ETF Alpha FTSE 20 Idx	7.18	0.28	2.87	-33.77
DAX 30	7,024.40	0.11	4.84	17.91
CAC 40	3,888.36	0.21	2.53	-1.22
FTSE 100	5,881.12	-0.02	3.31	8.65
Dow Jones	11,499.25	0.36	4.46	10.27
Nasdaq	2,637.31	0.77	6.51	16.22
S&P 500	1,242.87	0.62	5.45	11.46
Nikkei 225	10,303.83	-0.07	5.02	-2.30
Hong Kong (HSI)	22,698.77	0.13	-2.22	3.78
Russia (RTS)	1,751.92	0.44	11.54	21.27
Turkey (ISE 100)	64,429.48	-1.63	-7.96	21.97
Romania (Bucharest)	5,138.51	-0.15	-0.73	9.55
Bulgaria (Sofix)	360.12	-0.54	4.02	-15.72
Cyprus	1,113.13	-1.69	-1.98	-30.31
Commodities				
Brent ICE (\$/bbl)	91.23	0.51	3.05	8.63
WTI NYM (\$/bbl)	88.97	0.78	1.85	5.36
Gold CMX (\$/troy oab.)	1,387.80	0.33	-1.74	25.39
Aluminum LME (\$/mt)	2,373.00	2.95	-2.35	6.41
Copper LME (\$/mt)	9,015.00	1.35	4.10	22.24
Carbon Fut. (€/mt)	14.98	0.00	2.67	12.46
Currencies				
EUR/USD	1.3306	0.45	-4.46	-7.63
USD/JPY	83.86	-0.06	-3.76	10.13
EUR/GBP	0.840	2.59	2.59	6.12
Rates	Price	Yield(%)		
Euribor 3m (%)	-	1.03		
10Yr Bond (GR)	68.39	12.09		
10Yr Bund (GE)	106.62	2.82		
10Yr Bond (US)	101.05	2.99		

ASE Ind. Fut.	16.12.10	(%) day	Prem/Disc % / bps	Volume	Open Interest	Days to Expiry
FT20 Dec	708.53	-0.57	-0.15 / -1	12,428	11,284	0

Greek Banks	16.12.10 €	(%) 1 day	(%) 1 month	(%) Ytd
National Bank	6.88	1.0	-0.3	-55.3
EFG Eurobank	4.26	0.5	5.2	-45.9
Alpha Bank	4.44	1.4	-2.4	-45.9
Piraeus Bank	3.56	2.0	15.6	-56.0
Bank of Cyprus	2.78	-1.4	-7.0	-25.9
Marfin Popular Bank	1.18	-0.8	15.2	-40.6
ATEbank	0.80	1.3	8.1	-58.8
Emporiki Bank	1.68	4.3	28.2	-61.6
Hellenic PostBank	3.48	-0.9	21.3	-21.3
Bank of Greece	29.88	-0.6	-1.5	-35.7
Egnatia Bank	0.74	0.0	8.8	-58.2
Geniki Bank	2.49	9.7	54.7	-68.1
Bank of Attica	1.14	0.0	26.7	-32.9
Aspis bank	0.25	0.0	-16.7	-67.9
Proton Bank	0.75	2.7	-2.6	-62.5
FTASE 20				
National Bank	6.88	1.0	-0.3	-55.3
OTE	6.75	-2.9	8.0	-34.4
Coca Cola HBC	19.55	-0.1	2.5	22.3
EFG Eurobank	4.26	0.5	5.2	-45.9
Alpha Bank	4.44	1.4	-2.4	-45.9
OPAP	13.20	1.1	3.6	-14.0
Piraeus Bank	3.56	2.0	15.6	-56.0
PPC	11.50	1.5	-2.5	-11.5
Bank of Cyprus	2.78	-1.4	-7.0	-25.9
Marfin Pop. Bank	1.18	-0.8	15.2	-40.6
MIG	0.76	0.0	20.6	-58.3
ATEbank	0.80	1.3	8.1	-58.8
Hellenic Petroleum	5.81	1.2	4.7	-25.6
Titan Cement	15.72	-1.2	1.4	-22.6
Jumbo	5.02	-0.2	-3.3	-43.4
Hellenic Technodomiki	3.60	1.4	5.0	-30.1
Hellenic PostBank	3.48	-0.9	21.3	-21.3
Motor Oil	7.60	-1.3	0.3	-28.6
Viohalco	3.78	-0.5	3.8	-4.8
Mytilineos	4.28	0.9	1.4	-14.7

\* ranked by Market Cap.

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

Source: Bloomberg

## Market Comment

The Greek market continued its course in flat territory with turnover at suppressed levels. Large and mid caps were almost split in two between rising and falling stocks. European and US markets closed somewhat higher yesterday, also aided from positive corporate guidance.

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## Highlights

### Economic News

- Greek Government** As announced yesterday, the interministerial council for asset restructuring and privatizations (ICARP) thoroughly examined matters connected to the exploitation of the state's real estate equity as well as matters of privatizations. More below.
- Moody's** placed Greece's Ba1 rating for local and foreign currency government bond on review for possible downgrade. Despite the country's significant progress in implementing a very large fiscal consolidation effort, increased uncertainty over Greece's ability to reduce its debt to sustainable levels and the substantial revenue shortfall that Moody's has observed in 2010 prompted for such a decision.
- EU leaders summit** Reportedly, EU leaders agreed yesterday to create a permanent financial safety net from 2013, while the increase of the existing temporary rescue fund was ruled out as unnecessary.
- Ireland** The lower house of parliament passed the restructuring bill for the country's banking system, The Credit Institutions (Stabilisation) Bill, late Wednesday, The Wall Street Journal reports. Among its various terms, this bill will allow a capital injection into Allied Irish Banks Plc, raising the state's stake in the bank to over 92% from 18.6%. It also provides for the restructuring of Anglo Irish Bank Corp. Ltd. and Irish Nationwide Building Society.

### Corporate News

- Eurobank** An EGM to take place on January 10 to approve merger plan with Dias Investment.
- Hellenic Petroleum** – HP announced yesterday that it will set up a joint venture with Vegas Oil & Gas with the latter holding a 70% stake (including management) and HEP the remaining 30%. The venture will continue exploring for oil in West Obayed, Egypt, where HP has exploration rights since 2007. Vegas (controlled by Vardinoyannis family also controlling MOH) is active in the area since 2003.
- PPC** announced that regarding press reports on unpaid receivables to the firm, the amount for the ten months in 2010 was €189mn and for low and mid voltage clients it is €104mn (not €600mn and €400-€450mn respectively as the press report suggested). In any case only a small amount remains unpaid after a six month period.

See Important Disclosures and Analyst Certification at the end

## Economic News

**Greek Government As announced yesterday, the interministerial council for asset restructuring and privatizations (ICARP) thoroughly examined matters connected to the exploitation of the state's real estate equity as well as matters of privatizations and concluded to the following decisions.**

### A. Public Real Estate Management

■Inventory of commercial state-owned real estate assets. The Special Secretariat for Asset Restructuring and Privatizations of the Ministry of Finance was given the mandate to proceed immediately with the appointment of specialist advisors aiming at the identification, qualitative and investment analysis for all commercially important real estate assets, with a view to provide reliable investment data for a feasible portfolio of properties. The inventory shall be completed by June 2011.

■Development of the real estate property of the former airport of Athens "Elliniko". In order to accelerate the development of the area of Ellinikon using the recently legislated "fast-track" investment procedures, the ICARP decided a) the establishment of a Special Purpose Vehicle under the name Ellinikon S.A. dedicated to the administration of the property and b) to appoint financial and technical advisors.

■Selection and promotion of the privatization of major real estate assets. The ICARP decided also to establish dedicated Project Management Teams, assisted by special advisors, for the removal of administrative barriers and the promotion of development of a number of specific major real estate assets.

■Institutional and organizational changes to improve management of commercial public real-estate assets. In this context ICARP a) proposed the establishment of a General Secretariat for Public Real Estate Management in the Ministry of Finance, with a mandate to supervise real estate services and registries, endowments, and the development of property owned by public entities, and b) will promote the establishment of Special Purpose Vehicles in the form of S.A. for the securitization of mature public real estate assets. Such entities are planned to absorb assets now managed by several public entities and at a second phase be listed in the Athens Stock Exchange.

The above decisions signal the decisiveness of the Greek government to accelerate the management and development of state-owned real estate assets in full transparency. The government proceeds immediately with the registration of the public real-estate in a single data base as well as with both institutional and managerial improvements to the existing framework of public real-estate management.

### B. Asset Privatization and Restructuring

In the context of restructuring and management of the wider portfolio of holdings of state assets the ICARP made the following decisions.

1) Appointment of financial and legal advisors (the names of the advisors to be announced soon with the completion of the contractual arrangements) for:

■The extension of the concession of the Athens International Airport (AIA) and the assessment of the best available options for the privatization of the stake of the Hellenic Republic

■The assessment of the best available options for its stake in DEPA (natural gas supplier) and DESFA (natural gas network operator)

■The attraction of a strategic investor in the Hellenic Defense Systems (EAS).

2) Request for Proposals for the appointment of financial and legal advisors (the process will be completed within the first quarter 2011) for:

■The unbundling of the functions of the Loan and Consignment Fund

■The entry of strategic investors in regional airports through concession agreements

■The concession agreement for the construction of the new "Kastelli" Airport in Crete and the existing "Nikos Kazantzakis" Airport in Heraklion)

■The assessment of the best available options for the privatization of the stake in TRAINOSE (national railways operating company)

■The development of real estate of the OSE group (national railways)

■The extension of concessions for Attiki motorway (highway around Athens) Egnatia motorway (Northern highway)

■The attraction of a strategic investor for the Hellenic Post Office

■The extension of concessions for the frequency spectrum and the Digital Dividend

■The assessment of the best available options for the government stake in the port system of the wider Athens area

■The strategic study and the assessment of the best available options for the privatization of the government stake in 11 regional ports through concession agreements

■The strategic study and concession agreements for possible marinas in 850 regional ports

■The assessment of the best available options for the privatization of the stake in LARCO nickel mining company,

■The assessment of the best available options for the management of the stake in EYDAP and EYATH (water suppliers),

■The extension of the concession of OPAP (lotteries and betting company) and the assessment of the best available options for the management of the stake

■The introduction of a strategic investor in Horse Racing Organization ODIE,

■The sale of state's participation in the "Mont Parnes" Casino, and

■The partial privatization and introduction of strategic investors into the state lottery tickets system (Ethniko, Laiko).

The aim of the state asset management and privatization program, which is in line with Economic and Financial Policy Programme of Greece, is the inflow of revenue amounting to €7 billion within the 2011-2013 period, of which at least €1 billion in 2011. The Government is determined to achieve this target with absolute transparency while safeguarding the public interest, promoting reforms and restructuring in sectors that can contribute to growth and competitiveness.

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## Corporate News

## DISCLOSURES

### GENERAL DISCLOSURES

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- (i) The views expressed in this research report **accurately reflect** their personal view about the relevant securities or issuers on the date the report is issued.
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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

There is no predetermined period for revision updates. ATE Securities SA policy, however, outlines that any major developments in the companies mentioned, should be carefully screened, and it is the analyst's decision whether any such developments materially change their view or opinion stated herein, in order to proceed for an update.

#### Companies Mentioned in the Report

Company	BBG-RIC Code	Price	Date	View	Disclosures
Titan Cement	TITK GA / TTNr.AT	€ 15.70	15.12.2010	UR	-

#### 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
- 4 ATE Securities SA has been asked to prepare and or will receive compensation from the company for the preparation of the report
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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	<b>O</b>	Stock Return > +9%
Neutral	<b>N</b>	Stock Return in the range [-9%, +9%]
Underweight	<b>U</b>	Stock Return < -9%
Not Rated	<b>NR</b>	The company is not covered by ATE Securities SA Research & Analysis Department
Under Review	<b>UR</b>	Rating not currently available
Restricted	<b>R</b>	ATE Securities SA policy and/or law prohibits investment recommendation
Rating Suspended	<b>RS</b>	There is no sufficient fundamental basis for determining an investment rating or target.
Coverage Suspended	<b>CS</b>	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 <sup>(1)</sup>
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. Yielder</i> <i>Medium Div. Yielder</i> <i>Low Div. Yielder</i> <i>No Cash div. Yielder</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%)	1 (4%)	0 (0%)	14 (56%)	4 (16%)	1 (4%)	-	-
Inv est. Banking Services (per category)	0	-	-	-	-	-	-	-	-

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