

Daily Market Report

Monday, 29 August 2011



BETA SECURITIES SA

Member of the Athens Stock Exchange

	Price	Chg: %	30 days %	YTD %*
GR				
Athens General	1,007	14.4%	-18.4%	-28.8%
FTSE /ASE 20	430	17.8%	-20.7%	-35.1%
FTSE /ASE Mid 40	1,040	15.0%	-12.7%	-30.6%
US				
Dow Jones	11,539	2.3%	-5.0%	-0.3%
Nasdaq	2,562	3.3%	-7.0%	-3.4%
S&P 500	1,210	2.8%	-6.4%	-3.8%
Europe				
FTSE-100	5,130	0.0%	-11.8%	-13.1%
DAX-30	5,670	2.4%	-20.8%	-18.0%
CAC-40	3,154	2.2%	-14.1%	-17.1%
Eurostoxx 50	2,158	0.8%	-14.1%	-16.6%
Eurostoxx 50E	2,239	2.2%	-16.1%	-19.8%
Asia				
NIKKEI-225	8,851	0.6%	-10.0%	-13.5%
HANG SENG	19,865	1.4%	-11.5%	-13.8%

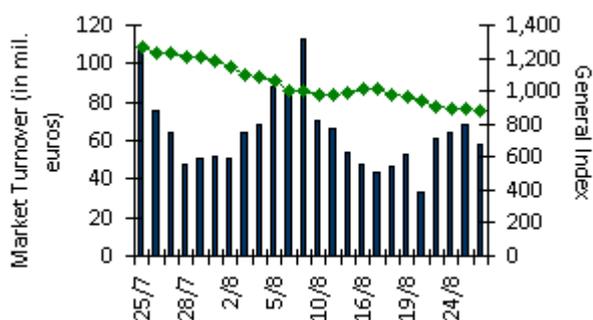
Market Statistics

Market Cap (in bil. €)	41.3
Market Turnover (in mil. €)	86.8
Advances	171
Declines	13
Unchanged	21
Total Movers	205

Futures Delivery	Settlmnt	Prem/Di sc	Open Interest	Traded Volume
FTSE /ASE 20				
September 2011	463.08	7.59%	24,122	8,593
December 2011	445.14	...	18	4

1H2011 Results

NBG	30-Aug
Fourlis	30-Aug
Sarantis	30-Aug
Tenergy	30-Aug
Gek Terna	30-Aug
ATE Bank	30-Aug
Alpha Bank	30-Aug
BoC	30-Aug
PPC	30-Aug
Hellenic Petrol	31-Aug
BoP	31-Aug



Market Comment

ASE Posted major gains amid banking deal. The General Index ended at 1,006 (+14.37%). Banks ended 29.12% higher. Greece 2YR Bond Yields: 45.62% - 10YR Bond Yields: 18.1%. 10YR bond spread against German bunds -- 15.88 ppts. Another positive session ahead. Market focus on Alpha Eurobank merger, most volume in banks.

Results Review 1H2011

Alpha Bank

- Net losses stood at 524.8m euros including impairment losses on GGB's of 539m euros after 21% haircut on held to maturity portfolio (impairment losses, broadly in line with consensus estimates).
- Total GGBs portfolio at 3.1billion euros
- 1H 2011 Net Income excluding impairment losses stood at 14m euros from 38.4m euros (higher than expectations for 8.1m euros).
- NII at 879m euros (-4.1% yoy) above estimates for 866.1m euros.
- Core Tier I Evolution under Adverse stress test scenario for 2012 at 7.4% from 10.8% in 2010.
- Net Loans fell 6.6% yoy to 47,963m euros. Deposits fell 15.6% yoy to 33,484m euros.
- NII margin stable at 2.7%.
- NPLs at 10.3% backed by 2.5 billion of on balance sheet provisions, yielding 48% cash coverage or 126% inclusive of collaterals

Conference Call Key points:

- Encouraging trend in deposits – Margins are recovering
- Alpha Bank has not resorted in ELA mechanism
- Liquidity is seen improving
- NPL's will keep on increasing until the end of 2012
- PSI loss of 593m euros [after tax] might change but not materially

EFG

- 2Q11 net operating profit at €3m relatively to €50m last year, 1H11 net profit at €76m better than anticipated; adjusting for PSI valuation impact net profit stood at -€588m
- 2Q11 NII came in at €515m, 1H11 NII was at €1.1b [-5.3% yoy] and a bit lower than expected
- Participation in the PSI plan with €5bn GGBs. Valuation reduction of 16.7% of face value with an impact of €664m after tax in 1H1 [less than anticipated]
- Operating expenses declined by 3.4%qoq and 4.3%yoy, exceeding the target set by management for 2011
- Greek deposit outflows of €5.3bn in 2Q11 - of which €3.3bn were State related
- Profits from the operations abroad rise strongly by 53% to €20m in 2Q2011
- ECB exposure stood a bit lower than €23bn
- Trading Income reduction to €2m [from €21 in 1H10]
- GGB exposure stands at €6.8b currently

90+ loans reduction attributed to the Bank's tight controlling policy

Motor Oil Impressive yoy performance / better than estimates

Sales came in for 1H2011 at €3,326.1 up by 53.3% yoy, noting an increase of exports. Both trading and refining production activities increased their sales. The Company noted FX gains of €19.1m relatively to losses of €57.3m last year. EBITDA was at €184.3m up by 128.4% and Net Income at €100m more than tripled relatively to last year.

	2Q2011A	Q22010A	%Δ actual yoy	1H2011A	1H2010A	%Δ actual yoy
Sales	1,915	1,207.2	58.6%	3,326.1	2,169.8	53.3%
EBITDA	79	47.9	64.9%	184.3	80.7	128.4%
Net Income	41	8.7	373.6%	100.0	20.9	378.5%

Sidenor

Sales at 621.9m (+31.5% yoy), Ebitda at 23.9m euros (-18.8%), Net Losses of 18m euros from losses 0.2m euros. Total bank loans at 554m euros (+10% from year end 2010).

Results Preview

Bank of Cyprus / Results to be announced today after market:.. Consensus Estimates:

	2Q2011E	Q22010A	% Δ estimates vs. last year	1H2011E	1H2010A	% Δ estimates vs. last year
NI	275.6	255.0	8.1%	551.5	497.0	11.0%
NI	68.1	82.0	-17.0%	171.3	163.0	5.1%

Estimated NI excludes impairments on GGB's [approx. 200m euros]

Conference Call Details: Today at 18:00 (GR). From Greece dial in: +30 211 180 2000, From UK dial in: +357 2292 2299.

Investors will focus on:

Cyprus macro environment

NPLs dynamics

Details on impairments on Greek Government Debt

National Bank of Greece/ Results to be announced today at 17.30pm. Consensus Estimates:

	2Q2011E	Q22010A	% Δ estimates vs. last year	1H2011E	1H2010A	% Δ estimates vs. last year
NI	975.3	1,040.0	-6.2%	1,966.6	2,082.0	-5.5%
NI	-27.9	125.0	nm	85.4	146.0	nm

Estimated Net Income excludes impairments on GGB's [approx. 1,300m euros]

Conference Call Details: Today at 18:30 (GR). Standard International Access: +44(0) 203 003 2666.

Issues of strategic development will be discussed, examining possible alternatives to the merger between Alpha-Eurobank.

PPC/ Results to be announced today Tuesday 30 August 2011 premarket. Consensus Estimates:

	2Q2011E	Q22010A	% Δ estimates vs. last year	1H2011E	1H2010A	% Δ estimates vs. last year
Sales	1328.0	1403.0	-5.3%	2704.0	2894.5	-6.6%
EBITDA	261.3	298.0	-12.3%	589.0	821.1	-28.3%
Net Income	39.7	90.4	-56.1%	133.0	347.9	-61.8%

Net income drop is attributed to the single digit decrease of electricity demand, the intensive competition and the strikes during the summer period.

Conference Call Details: Today at 17:30 (GR).

Issues of strategic development will be discussed with regards to international expansion, the memorandum between PPC and Sinovel (Chinese Construction Company for wind generators), further cutting costs procedures and the possible privatization program.

Bank of Piraeus / Results to be announced tomorrow pre market. Consensus Estimates:

	2Q2011E	Q22010A	% Δ <i>estimates</i> <i>vs. last year</i>	1H2011E	1H2010A	% Δ <i>estimates</i> <i>vs. last year</i>
NI	307.2	298.0	3.1%	616.2	591.0	4.3%
NI	-5.4	3.0	<i>nm</i>	-5.2	10.0	<i>nm</i>

Estimated Net Income excludes impairment on Greek Government Bonds [approx. 1,000m euros]

Conference Call Details: .Tomorrow at 9:30 am (GR). Dial in: Greek participants:+ 30 211 180 2000. UK participants:+ 44 (0) 800 376 9250.

We expect during the call questions to be focused on:

Issues of strategic development

NPLs dynamics

The current status of the Egyptian subsidiary disposal

Merger activity

EFG – Alpha Bank Merger

Key Terms

Eurobank EFG shareholders will receive 5 new Alpha Bank ordinary shares for every 7 Eurobank EFG ordinary shares held [i.e. an exchange ratio of 0.714 Alpha Bank shares per Eurobank EFG share].

Pro forma split of the new group: 57.5% existing Alpha Bank shareholders and 42.5% existing Eurobank EFG shareholders.

Timeframe

29 August 2011 Announcement

Early October Approval of merger plan by Ministry of Development

November 2011 Approval received by respective EGMs

December 2011 Approval of merger by Ministry of Finance / Completion of legal merger — Shares of combined entity commence trading

H1 2012 Contemplated capital increase and MCN issuance

The comprehensive Capital Enhancement Plan will strengthen the combined institution's capital base by an equivalent of approximately **€3.9 billion**, which is expected to be substantially completed by the end of 2012 and is analyzed as follows:

1. Internal Initiatives amounting to **€1.8b** of eligible Core Tier I capital [disposal of Tekfen, balance sheet deleveraging and management actions etc.] and €350m early conversion of outstanding Eurobank Tier I into ordinary shares.

2. External Capital Enhancement including **€500m** of Mandatory Convertible Notes issued to Paramount. The MCN core tier 1 qualifying instruments are expected to have a 3 year maturity, with a coupon of 10% per annum and a conversion price of €1.70 per share (a 20% discount to the combined entity pro forma share price as of 26 of August). The issuance of the MCNs will take place concurrently with the proposed rights issue

3. A €1,250m rights issue. Terms will be announced later

Pro forma Core Tier 1 ratio →**14.0%**

The one-off impact of the PSI will amount to c. €1.2 billion (net of tax) for the combined group.

Joint call today to analysts at 10:30 am (Greek time).

Time: 08:30 UK Time, 09:30 Central European Time, 10:30 Athens Time

Tel. number for Greece: + 30 211 180 2000

for UK + 44 (0) 800 3769 250

for US + 1 866 288 9315

Title: Alpha Bank and EFG Eurobank Proposed Merger.

Corporate News

HTO / Vodafone Group Plc has begun talks about a potential combination of its Greek unit with Wind Hellas Telecommunications SA to rival market leader Cosmote Mobile Telecommunications SA controlled by Deutsche Telekom AG.



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