

# GREEK DAILY BRIEF

Tuesday Nov. 8, 2011

## Statistics

Athens Stock Exchange		Shares
MCap(€bn)	29.2	▲ 98
Turnover (€mn / mn shares)	47.6 / 37.14	— 130
Blocks (€mn / mn shares)	0.7 / .06	▼ 51

	07.11.11	(%) 1day	(%) 30day	(%) Ytd
ASE General	761.04	1.39	2.24	-46.18
FTSE 20	297.79	1.71	-0.49	-55.09
FTSE 40	803.63	0.43	5.54	-46.37
FTSE International	797.44	1.61	-0.04	-54.50
Banks	325.49	2.93	-17.90	-73.98
Telecoms	908.35	2.17	7.49	-46.17
Travel & Leisure	1,235.17	2.00	11.28	-45.28
Construction	1,637.51	1.06	28.11	-31.22
ETF Alpha FTSE 20 ldx	3.04	2.36	0.66	-53.49
DAX 30	5,928.68	-0.63	4.46	-14.25
CAC 40	3,103.60	-0.64	0.26	-18.43
FTSE 100	5,510.82	-0.30	3.91	-6.60
Dow Jones	12,068.39	0.71	8.69	4.24
Nasdaq	2,695.25	0.34	8.71	1.60
S&P 500	1,261.12	0.63	9.14	0.28
Nikkei 225	8,655.51	-1.27	0.58	-15.38
Hong Kong (HSI)	19,719.50	0.21	11.37	-14.39
Russia (RTS)	1,569.35	0.39	19.62	-11.35
Turkey (ISE 100)	56,180.24	0.82	-2.02	-14.88
Romania (Bucharest)	4,553.11	0.93	0.03	-13.58
Bulgaria (Sofix)	338.06	-0.53	0.59	-6.70
Cyprus	320.07	-3.37	-26.29	-69.67
<b>Commodities</b>				
Brent ICE (\$/bbl)	115.04	0.42	10.46	20.88
WTI NYM (\$/bbl)	95.86	0.36	15.26	1.42
Gold CMX (\$/troy oab.)	1,792.40	0.07	9.57	25.16
Aluminum LME (\$/mt)	2,121.00	-0.89	-4.80	-14.13
Copper LME (\$/mt)	7,825.00	-0.48	6.19	-18.49
Carbon Fut. (€/mt)	9.94	5.63	-4.70	-29.85
<b>Currencies</b>				
EUR/USD	1.3753	0.24	1.20	2.75
USD/JPY	78.02	0.09	-1.64	3.97
EUR/GBP	0.856	1.28	1.28	0.05
<b>Rates</b>				
Euribor 3m (%)	-	1.48	-	-
10Yr Bond (GR)	30.50	30.51	-	-
10Yr Bund (GE)	116.16	1.36	-	-
10Yr Bond (US)	111.35	1.52	-	-

ASE Ind. Fut.	07.11.11	(%) day	Prem/Disc % / bps	Volume	Open Interest	Days to Expiry
FT20 Dec	297.00	1.80	-0.27	7,059	18,747	38

Greek Banks	07.11.11 €	(%) 1 day	(%) 1 month	(%) Ytd
National Bank	1.94	5.4	-11.0	-67.9
EFG Eurobank	0.74	4.7	-9.8	-80.3
Alpha Bank	1.09	6.9	-6.8	-71.3
Piraeus Bank	0.25	4.6	-34.2	-87.1
Bank of Cyprus	0.78	-5.5	-28.7	-69.6
Marfin Popular Bank	0.23	-1.3	-28.4	-77.1
ATEbank	0.33	15.2	8.3	-89.3
Hellenic PostBank	0.44	8.9	-27.9	-85.0
Bank of Greece	14.71	1.3	-5.7	-49.2
Geniki Bank	0.26	0.8	3.6	-87.8
Bank of Attica	0.26	6.6	-18.8	-72.3
Proton Bank	0.18	0.0	0.0	-73.9
<b>FTASE 20</b>				
National Bank	1.94	5.4	-11.0	-67.9
OTE	3.30	2.2	7.5	-46.2
Coca Cola HBC	13.00	1.8	4.1	-30.9
EFG Eurobank	0.74	4.7	-9.8	-80.3
Alpha Bank	1.09	6.9	-6.8	-71.3
OPAP	7.30	2.1	11.5	-43.6
Piraeus Bank	0.25	4.6	-34.2	-87.1
PPC	5.67	-1.4	-11.3	-47.2
Bank of Cyprus	0.78	-5.5	-28.7	-69.6
Marfin Pop. Bank	0.23	-1.3	-28.4	-77.1
MIG	0.41	-1.2	62.0	-42.1
ATEbank	0.33	15.2	8.3	-89.3
Hellenic Petroleum	6.52	0.5	12.0	11.3
Titan Cement	14.19	1.4	40.4	-13.0
Jumbo	3.71	0.3	2.2	-24.9
Hellenic Technodomiki	1.32	-0.8	-5.0	-60.6
Hellenic PostBank	0.44	8.9	-27.9	-85.0
Motor Oil	5.93	1.7	3.9	-17.6
Viohalco	3.08	2.0	-4.9	-24.0
Mytilineos	3.08	-2.2	6.2	-26.8

\* ranked by Market Cap.

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

## Market Comment

The Greek market closed 1.39% higher yesterday in a positive but cautious mood, with a minority of large caps posting losses, among them the Cypriot banks, MIG, PPC and Mytilineos. Turnover posted no change from Friday low levels.

European markets closed down yesterday.

European shares opened higher today, following gains posted in Asia and the US, but investor concerns persist over rising Italian bond yields and the continuing political uncertainty in Greece.

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## Highlights

### Economic News

- Greek politics** Reportedly the name of the person to be appointed Prime Minister of the new coalition government will be announced today.
- Eurozone finance ministers** meet 18:00 (Athens time) in Brussels, ahead of the talks by 27 EU finance chiefs planned for today.
- Eurogroup meeting** of Eurozone finance ministers yesterday ordered Greece to provide written acceptance of bailout terms in order to win the €8bn loan installment by the end of November, while Italy was pressed to turn budget-cut promises into reality.
- PDMA** Greece auctions €1,000mn of 26wk T-Bills today. The settlement date is November 11. We remind that in the previous auction of €1,000mn of 26wk T-Bills on October 11, total bids reached €2,725m (coverage ratio: 2.73) and the amount accepted stood at €1,300m at a uniform yield of 4.86%.
- Eurostat Volume of retail trade** in September 2011 the volume of retail trade fell by 0.7% mom in the Eurozone and by 0.3% in the EU27. In August retail trade rose by 0.1% mom in the Eurozone and remained stable in the EU27. In September 2011, the retail sales index decreased by 1.5% yoy in the Eurozone and by 0.8% yoy in the EU27.
- Italy** Confidence vote in Italian parliament to Silvio Berlusconi's government.
- Moody's** reportedly downgraded credit ratings of Bank of Cyprus by one notch to Ba2 from Ba1, Hellenic Bank to Ba2 from Ba1 and MPB by three notches to B2 from Ba2. All ratings remain under credit watch for further downgrade.

### Corporate News

- Coca Cola Hellenic** Announced a set of Q3 results (see below)
- PPC** According to press report PPC management approves the entry of private investors with a minority stake in the Ptolemaida new lignite power plan but without adding the unit to the portfolio of the planned subsidiary that will fully be offered to private investors. On other news, EGM approved among others the spin off of the general directory for transmission and its transfer to a 100% subsidiary.
- Helix** announced its Q3 11 results yesterday post market close, reporting a net profit of €21.8mn (see below).
- Geniki Bank** announced 9m 2011 financial results today before market open. Net loss at -€617.8mn for the nine months from -€304.1mn the previous year on -€377.2mn provisions (-€311.5mn in 2010) and -€230.1mn impairment for GGBs in 2011. Operating results before provisions at -€5.5mn in the 9m 2011 from €10.2mn in 9m 2010.
- Hygeia** 129,870,785 new shares are admitted to trading on the ATHEX following the recent share capital increase through a rights issue. On November 8, 2011, the total number of the company's listed shares amounts to 305,732,436 shares.

### Published 9m 11 Results

#### Focus List

- Coca Cola Hellenic** Released **Tues. Nov. 8** bmkt
- Hellenic Exchanges** Released **Mon. Nov. 7** amkt

See Important Disclosures and Analyst Certification at the end

## Economic News

## Corporate News

### Coca Cola Hellenic

Released **Tues. Nov. 8<sup>th</sup>** (bmkf)

The Management will host a conference call on the results at **16:00 Athens time** (14:00 London time, 9:00 US East Coast time).  
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Q3 Published Results				9m Published Results			
(€mn)	Q3 11A	Q3 10A	(%) A	(€mn)	9m 11A	9m 10A	(%) A
<b>Volume (m n unit)</b>	581.7	610.5	-4.7%	<b>Volume (m n unit ca)</b>	1,618.0	1,619.5	-0.1%
<b>Sales</b>	1,929.8	1,998.6	-3.4%	<b>Sales</b>	5,325.5	5,298.7	0.5%
<b>EBITDA</b>	315.5	395.9	-20.3%	<b>EBITDA</b>	755.8	911.1	-17.0%
<b>Net Income</b>	155.6	216.6	-28.2%	<b>Net Income</b>	301.6	418.5	-27.9%

Source: Published Financial Statements

Source: Published Financial Statements

Note: EBITDA and Net Income are comparable figures, as provided by the Company.

**Volume** was flat in the first nine months with a 3% increase in developing markets, fully offset by a 1% decline in established and emerging markets. **Net sales revenue** grew ahead of volume with a 3% increase in developing markets and a stable performance in established and emerging markets. The continuing adverse impact of commodity costs and persisting economic challenges across most of our territories resulted in a decline in comparable **EBIT**.

On a quarterly level, CCH results were weak yoy.

At the end of the first nine months of 2011, CCH's **net debt** was €1,714mn, and CCH generated **free cash flow** of €416mn in the first nine months of 2011.

Management revised its free cash flow guidance of €1.6bn for 2011-2013 to €1.35bn and cumulative capital expenditure from €1.5bn to €1.35bn.

### Hellenic Exchanges

Release date **Mon. Nov 7<sup>th</sup>** (amkt)

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Q3 Published Results				9m Published Results			
(€mn)	Q3 11A	Q3 10A	(%) A	(€mn)	9m 11A	9m 10A	(%) A
<b>Sales</b>	10.4	10.6	-1.9%	<b>Sales</b>	38.7	44.8	-13.6%
<b>EBITDA</b>	5.4	5.0	6.8%	<b>EBITDA</b>	23.6	28.3	-16.8%
<b>Net Income</b>	5.1	4.2	19.8%	<b>Net Income</b>	21.8	14.2	53.3%

Source: Published Financial Statements, consensus estimates

Source: Published Financial Statements, consensus estimates

**Consolidated turnover** was reduced by 25% yoy, to €35.0mn vs. €46.6mn in 9M 2010. This reduction is due on the one hand to the drop in trading activity in the cash market and the drop in the average capitalization of listed companies, and on the other hand to the reduction that were implemented in the second half of 2010 in the fees for trading and post-trading services, for both stocks and derivatives, as part of the pricing policy of the Group.

The **average daily traded value** in 9M 2011 amounted to €96mn, down 37% yoy (€153mn), while the market capitalization at the end of Q3 11 (30.9) over the same period amounted to €31.3bn vs. €57.9bn last year, down 46% yoy. The **average daily traded volume** was slightly reduced by 3% yoy (33.5mn shares vs. 34.6mn shares). In the derivatives market, the average daily traded volume increased by 10% in the first nine months (49.9 thousand contracts vs. 45.4 thousand contracts last year).

**Revenue from trading** amounted to €6.4mn in 9M 2011 vs. €10.7mn in 9m 2010, down 40% yoy, while **revenue from clearing** amounted to €12.4mn in 9m 2011, vs. €18.9m in 9M 2010, down 34% yoy. **Revenue from Exchange services**, which includes subscriptions by listed companies, revenue from rights issues as well as member subscriptions, amounted to €5.8mn vs. €5.3mn last year, a 10% increase. Finally, revenue from Depository services amounted to €3.2mn in 9M 2011 vs. €3.7mn last year, a 15% reduction.

In 9M 2011, the Group also recorded non-recurring revenue of €5.1mn concerning the claim on the tax paid on the Hellenic Capital Market Commission fee, which had been paid in previous fiscal years (€2.4m) and the return of the extraordinary tax paid on ATHEX dividends received by HELEX, which had already paid the extraordinary tax (€2.7m). In 9M 2010 HELEX had recorded non-recurring revenue of the amount of €477 thousand.

The operating expenses of the Group were significantly reduced in 9M 2011. In particular, operating expenses before depreciation amounted to €15.1mn vs. €16.4mn in 9M 2010, reduced by 8%.

The Group's EBIT amounted to €22.2mn, down 16% yoy (€26.4mn).

Consolidated **net after tax profits** in the first nine months of 2011 amounted to €21.8mn compared to €22.2mn in the corresponding period last year, slightly reduced by 1.5%, despite a significant drop in the trading activity compared to the same period in 2010.

## DISCLOSURES

### GENERAL DISCLOSURES

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ATE Securities SA research analysts certify that:

- (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.
- (ii) **No part of their compensation** was, is, or will be, directly or indirectly, related to the specific views or recommendations expressed in the report.

### COMPANY-SPECIFIC DISCLOSURES

#### 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
Coca Cola Hellenic	EEEEK GA / HLB.AT	€ 13.00	07.11.2011	UR	-
Hellenic Exchanges	EXAE GA / EXCr.AT	€ 3.31	07.11.2011	NR	-
PPC	PPC GA / DEHr.AT	€ 5.67	07.11.2011	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
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- 3 ATE Securities SA acts as a market maker for the securities of the Company
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- 9 ATE Securities SA, receives, or is expected to receive investment banking services from this company within the next 3 months
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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. 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	6 (24%)	1 (4%)	0 (0%)	14 (56%)	3 (12%)	1 (4%)	-	-
Inv est. Banking Services (per category)	0	-	-	-	-	-	-	-	-

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