

# GREEK DAILY BRIEF

Friday Nov. 25, 2011

## Statistics

Athens Stock Exchange		
		Shares
MCap(€bn)	26.3	▲ 76
Turnover (€mn / mn shares)	26.9 / 22.36	— 114
Blocks (€mn / mn shares)	0.4 / .07	▼ 88

Indices	24.11.11	(%) 1day	(%) 30day	(%) Ytd
ASE General	673.30	-0.39	-10.95	-52.38
FTSE 20	258.98	-0.29	-11.92	-60.94
FTSE 40	692.89	-1.89	-13.99	-53.76
FTSE International	693.03	-0.42	-12.09	-60.45
Banks	270.56	1.40	-15.63	-78.37
Telecoms	856.05	-1.27	-5.47	-49.27
Travel & Leisure	1,031.11	-3.47	-10.91	-54.32
Construction	1,258.47	-3.12	-19.01	-47.14
ETF Alpha FTSE 20 Idx	2.66	1.53	-9.83	-59.30
DAX 30	5,428.11	-0.54	-10.23	-21.49
CAC 40	2,822.25	-0.01	-11.09	-25.82
FTSE 100	5,127.57	-0.24	-7.20	-13.09
Dow Jones	11,257.55	-2.05	-5.51	-2.76
Nasdaq	2,460.08	-2.43	-8.87	-7.27
S&P 500	1,161.79	-2.21	-7.37	-7.62
Nikkei 225	8,160.01	-0.06	-6.87	-20.23
Hong Kong (HSI)	17,737.83	-1.10	-6.49	-23.00
Russia (RTS)	1,397.41	-0.39	-6.84	-21.06
Turkey (ISE 100)	49,621.67	-4.55	-11.83	-24.82
Romania (Bucharest)	4,238.06	-0.88	-6.22	-19.56
Bulgaria (Sofix)	317.86	-0.63	-7.63	-12.28
Cyprus	251.89	1.52	-36.95	-76.13
<b>Commodities</b>				
Brent ICE (\$/bbl)	107.58	-0.19	-1.88	13.06
WTI NYM (\$/bbl)	96.36	-0.80	3.69	2.04
Gold CMX (\$/troy oz.)	1,689.60	-0.54	-0.75	17.77
Aluminum LME (\$/mt)	2,019.00	-0.25	-8.97	-18.26
Copper LME (\$/mt)	7,265.00	-0.53	-4.85	-24.32
Carbon Fut. (€/mt)	7.90	-6.40	-24.98	-44.25
<b>Currencies</b>				
EUR/USD	1.3303	-0.41	-4.56	-0.59
USD/JPY	77.38	-0.28	-1.58	4.85
EUR/GBP	0.860	1.19	1.19	-0.32
<b>Rates</b>				
Euribor 3m (%)	-	-	1.47	-
10Yr Bond (GR)	26.28	33.98	-	-
10Yr Bund (GE)	113.57	1.70	-	-
10Yr Bond (US)	111.53	1.49	-	-

ASE Ind. Fut.	24.11.11	(%) day	Prem/Disc % / bps	Volume	Open Interest	Days to Expiry
FT20 Dec	260.50	0.39	0.59	1,420	19,038	21

Greek Banks	24.11.11 €	(%) 1 day	(%) 1 month	(%) Ytd
National Bank	1.76	0.6	6.0	-70.9
EFG Eurobank	0.50	0.4	-24.4	-86.6
Alpha Bank	0.72	2.1	-28.0	-81.1
Piraeus Bank	0.24	3.4	-0.4	-87.4
Bank of Cyprus	0.55	2.6	-48.0	-78.8
Marfin Popular Bank	0.21	2.4	-21.3	-78.6
ATEbank	0.36	4.1	45.9	-88.3
Hellenic PostBank	0.52	0.0	48.6	-82.3
Bank of Greece	13.30	1.4	-4.7	-54.0
Geniki Bank	0.19	4.3	-19.3	-90.9
Bank of Attica	0.22	-2.7	12.2	-76.6
Proton Bank	0.18	0.0	0.0	-73.9

FTASE 20	24.11.11 €	(%) 1 day	(%) 1 month	(%) Ytd
National Bank	1.76	0.6	6.0	-70.9
OTE	3.11	-1.3	-5.5	-49.3
Coca Cola HBC	12.25	0.5	-9.8	-34.9
EFG Eurobank	0.50	0.4	-24.4	-86.6
Alpha Bank	0.72	2.1	-28.0	-81.1
OPAP	6.05	-3.8	-11.0	-53.2
Piraeus Bank	0.24	3.4	-0.4	-87.4
PPC	4.40	-1.3	-26.7	-59.0
Bank of Cyprus	0.55	2.6	-48.0	-78.8
Marfin Pop. Bank	0.21	2.4	-21.3	-78.6
MIG	0.37	-2.6	-7.5	-47.3
ATEbank	0.36	4.1	45.9	-88.3
Hellenic Petroleum	6.26	0.6	0.5	6.8
Titan Cement	10.81	-3.1	-19.9	-33.7
Jumbo	3.50	1.4	-4.1	-29.1
Hellenic Technodomiki	1.03	-4.6	-12.7	-69.3
Hellenic PostBank	0.52	0.0	48.6	-82.3
Motor Oil	5.65	0.7	-8.9	-21.5
Viohalco	2.98	3.8	-6.0	-26.4
Mytilineos	2.90	-1.0	-6.1	-31.1

\* ranked by Market Cap.

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

Source: Bloomberg

## Market Comment

Despite earlier intra day efforts for a technical reaction the Greek market closed negative again, yet with banks +1.4% in positive ground. Turnover remained very weak.

In Europe despite the positive open, markets turned negative by the end of the session, with the FTSE 100, DAX and CAC 40 losing 0.24%, 0.54% and 0.01% respectively.

The US markets were closed for Thanksgiving yesterday.

European futures have opened slightly lower, on continued fears that the Eurozone debt crisis is not closer to a solution.

**Anthony Christofidis** AChristofidis@ate.gr +30 210 3687852  
**Electra Doumas** EDoumas@ate.gr +30 210 3687853  
**Nikos Papadopoulos** NiPapadopoulos@ate.gr +30 210 3687857

## Highlights

### Economic News

- Greek crisis** According to press reports, PM Lucas Papademos said at the cabinet meeting yesterday that it has been agreed that political leaders will send independent letters to the Troika officials. The IMF welcomed "that New Democracy (ND) leader Antonis Samaras has expressed its support for the key objectives and policies of the program that is being supported by €110bn in financial assistance from Greece's European partners and the IMF". The **German MoF** said also expressed their acceptance of Mr Samaras' letter. The **Eurogroup** on November 29 will decide whether the commitments included in the letter from Mr Samaras are sufficient.
- PSI+ Finance Minister Evangelos Venizelos** informed the Cabinet that the discussions with the Troika on the new PSI+ programme will start on Dec.12. In other news, according to press reports, the IIF has presented an offer that involves swapping existing debt at 50% of its nominal value with new 31-year bonds, bearing an 8% coupon, to be issued under British law and the principal to be fully guaranteed by the EFSF.
- Eurozone crisis** At the meeting yesterday between **French President Nicolas Sarkozy**, **German Chancellor Angela Merkel** and new **Italian PM Mario Monti**, an agreement was reached to respect the independence of the ECB. Mrs Merkel said that making progress to more fiscal union in the Eurozone would not mean she would suddenly agree to euro bonds or changing the role of the ECB.
- Portugal** Fitch rating agency downgraded the country's sovereign credit rating to BB+ from a previous BBB-, arguing that its fiscal imbalances, high leverage in all sectors, and difficult macroeconomic outlook, do not coincide with an investment grade rating.
- European Banking Authority** According to press reports, the EBA may ask **German** banks to boost their capital levels by more than €12bn, as it their ability to withstand losses from the sovereign-debt crisis.
- Greek banks** According to press report, Greek banks will book PSI participation losses in the end of year 2011 results due to be announced in February 2012 and not in the 9m 2011 results due for next week.
- Japan Consumer prices** fell for the first time in 4 months, indicating that slowing global demand and the yen's strength are weighing on growth and prolonging deflation. S&P indicated that it may lower the nation's sovereign grade, currently at AA- rating.
- Hungary** Moody's downgraded the sovereign credit rating to Ba1, below investment grade on fears that the government would be unable to tackle low growth, fiscal uncertainty and high debt.

### Corporate News

- Hellenic Petroleum** announced yesterday its Q3 2011 results, posting a net loss of €17mn. More below.
- PPC** announces 9m 2011 results before market open today. Bloomberg consensus below.
- Metka** the Iraq Basra 1250MW power plant construction contract was signed. A new company announcement will follow the opening of the letter of credit.
- Forthnet** The shares are transferred to the supervision category of ATHEX and are removed from all ATHEX Indices.

### Published 9m 11 Results

### Focus List

• Hellenic Petroleum	Released	Thurs. Nov. 24 amkt
• OPAP	Released	Mon. Nov. 21 amkt
• Mytilineos-Metka	Released	Wed. Nov. 16 amkt
• Jumbo (Q1 2012)	Released	Tues. Nov. 15 amkt
• Titan Cement	Released	Thurs. Nov. 10 amkt
• OTE	Released	Thurs. Nov. 10 amkt
• Frigoglass	Released	Thurs. Nov. 10 amkt
• Coca Cola Hellenic	Released	Tues. Nov. 8 amkt
• Hellenic Exchanges	Released	Mon. Nov. 7 amkt

See Important Disclosures and Analyst Certification at the end

## Economic News

## Corporate News

### Bloomberg Consensus

#### PPC

Analyst: Nikos Papadopoulos [NiPapadopoulos@ate.gr](mailto:NiPapadopoulos@ate.gr) +30 210 36 87 857

To be released **Fri. Nov. 25<sup>th</sup>** (bmk)

#### PPC

##### Q3 2011 Bloomberg Consensus

(€mn)	Q3 11 E	Q3 10 A	(%) E
Sales	1,496.0	1,573.1	-4.9%
EBITDA	192.0	402.5	-52.3%
Net Income	-14.0	172.4	-

Source: Published Financial Results, BLG

#### PPC

##### 9m 2011 Bloomberg Consensus

(€mn)	9m 11 E	9m 10 A	(%) E
Sales	4,215.1	4,467.6	-5.7%
EBITDA	795.8	1,223.6	-35.0%
Net Income	114.8	520.2	-77.9%

Source: Published Financial Results, BLG

Analysts expect a worsened quarter in terms of profitability relative to H1 2011, with trends from previous quarters continuing to burdening results (risen oil fuel and energy purchase costs, market share erosion in more profitable commercial clients segment). The deepening recession is always a hazard for the levels of energy consumption and customer unpaid receivables while commercial clients loss without an adjustment in retail tariffs (expected from the new year) creates more difficulties for PPC in 2011.

## Published 9m 11 Results

## Focus List

### Hellenic Petroleum

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

Released **Thurs. Nov. 24<sup>th</sup>** (amkt)

#### Q3 Published Results

(€mn)	Q3 11A	Q3 10A	(%) A	(A-E) %
Sales	2,208.0	1,966.0	12.3%	5.1%
EBITDA	70.0	87.0	-19.5%	14.8%
EBITDA <sup>1</sup>	70.0	82.0	-14.6%	-7.9%
Net Income	-17.0	72.0	-	5.6%
Net Income <sup>1</sup>	-17.0	68.0	-	-112.5%

Source: Published Financial Statements, Consensus estimates

<sup>1</sup> Adjusted results are net of inventory effect

#### 9m Published Results

(€mn)	9m 11A	9m 10A	(%) A	(A-E) %
Sales	6,808.0	6,180.0	10.2%	1.6%
EBITDA	339.0	378.0	-10.3%	2.7%
EBITDA <sup>1</sup>	287.0	388.0	-26.0%	-25.1%
Net Income	162.0	130.0	24.6%	0.6%
Net Income <sup>1</sup>	121.0	171.0	-29.2%	-7.6%

Source: Published Financial Statements, Consensus estimates

<sup>1</sup> Adjusted results are net of inventory effect

Hellenic Petroleum recorded a decent underlying performance in Q3 2011, given the adverse operating environment in Greece with operating improvements partly offsetting an adverse impact from weak margins and sales volume. September cracking margins were down to multi-year lows and domestic economic conditions continued to be difficult. Group quarterly adjusted EBITDA reached €70mn (-14% yoy) on account of weak domestic fuels demand, planned refinery shutdowns and the impact of declining PP prices. Supply & trading contribution and sustained performance from International Marketing supported Group results. Group associates in Gas (DEPA) & Power (Elpedison) improved performance with quarterly contribution to Group results increasing to €12mn. The impact of USD loan revaluation at the end of September led to reported losses for the quarter.

Nine-month reported EBITDA stood at €339mn (-10% yoy) with net income at €162mn (+25%) on the back of better cost control and increased associates contribution (€49mn vs €14mn in 9month 2010). Adjusted EBITDA, which strips out the effect of inventory valuation and other non operating items, came to €287mn (9month 2010: €388mn) with adjusted net income amounting to €121mn (-29% yoy).

### OPAP

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

Released **Mon. Nov. 21<sup>st</sup>** (amkt)

#### Q3 Published Results

(€mn)	Q3 11A	Q3 10A	(%) A
Sales Total	1,004.8	1,134.6	-11.4%
Stihima	346.2	434.5	-20.3%
Kino	516.3	602.9	-14.4%
EBITDA	181.1	220.3	-17.8%
Net Income	135.4	161.2	-16.0%

Source: Published Financial Statements, Consensus estimates

Note: Adjusted net profit in 9m 2010 was at €506.9mn (9m 2011: -19.3% yoy)

#### 9m Published Results

(€mn)	9m 11A	9m 10A	(%) A
Sales Total	3,196.2	3,878.6	-17.6%
Stihima	1,138.8	1,557.9	-26.9%
Kino	1,643.3	1,929.8	-14.8%
EBITDA	549.3	693.2	-20.8%
Net Income	409.1	413.1	-1.0%

Source: Published Financial Statements, Consensus estimates

OPAP announced yesterday its consolidated financial results for the 9-month period ended September 30, prepared in accordance with International Financial Reporting Standards (IFRS). Company revenues for the 9M 2011 decreased by 17.6% to €3,196.2mn compared to €3,878.7mn in the corresponding period in 2010. In Q3 2011, revenues reached €1,004.8mn, down 11.4% yoy. EBITDA for the 9month decreased by 21.1% yoy to €549.3mn, due to reduced revenues, partially offset by the containment of distribution and administration expenses, as well as lower Stihima payout. In Q3 2011, EBITDA was down by 17.8% to €181.1mn compared to €220.3mn, predominantly due to increased Stihima pay-out during the quarter. Net Profit in 9M 2011 decreased by 1.0% yoy to €409.1mn. Nevertheless, the 2010 figure included the extraordinary tax charge €93.8mn in Q2 2010. Net Profit for Q3 2011 reached €135.4mn (-16% yoy).

Commenting on the financial results, OPAP's Chairman & CEO, Mr. Ioannis Spanoudakis, noted that despite the challenging economic environment, the Company achieved healthy margins by further containing costs, increasing market share and improving operational efficiency. Following the success of OPAP's EGM (in November 3) and the approval of the entire agenda, management believes that the aforementioned decisions combined with a well-planned and focused execution will create value for shareholders. Management will continue to focus on the upcoming opportunities, while at the same time strengthening OPAP's current business.

## Mytilineos-Metka

Analyst: Nikos Papadopoulos NIPapadopoulos@ate.gr +30 210 36 87 857

Released Wed. Nov. 16<sup>th</sup> (amkt)

### METKA

#### Q3 11 Published Results-Blg Consensus

(€mn)	Q3 11A	Q3 10 A	Q3 11E (Blg median cons Est)	(%) A	(A-E) %
Sales	241.8	230.7	186.5	4.8%	29.7%
EBITDA	40.5	34.2	27.5	18.4%	47.3%
Net Income	30.1	21.7	18.3	38.7%	64.5%

Source: Financial Results announcement, Blg consensus estimates

### MYTILINEOS HOLDINGS

#### Q3 11 Published Results-Blg Consensus

(€mn)	Q3 11A	Q3 10 A	Q3 11E (Blg median cons Est)	(%) A	(A-E) %
Sales	428	349.0	339.0	22.6%	26.3%
EBITDA	58	40.6	44.0	41.9%	30.9%
Net Income	16	17.7	11.2	-11.9%	39.3%

Source: Financial Results announcement, Blg consensus estimates

### METKA

#### 9m 11 Published Results-Blg Consensus

(€mn)	9m 11A	9m 10 A	9m 10A (Adj*)	9m 11E (Blg median cons Est)	(%) A	(%) A (Adj*)	(A-E) %
Sales	719.6	487.2	454.8	664.3	47.7%	58.2%	8.3%
EBITDA	112.7	107.8	75.4	99.7	4.5%	49.5%	13.0%
Net Income	79.7	70.1	43.1	67.9	13.7%	84.9%	17.4%

\*Adj: Adjusted for one off subsidiary sale

Source: Financial Results announcement, Blg consensus estimates

### MYTILINEOS HOLDINGS

#### 9m 11 Published Results-Blg Consensus

(€mn)	9m 11A	9m 10 A	9m 10A (Adj*)	9m 11E (Blg median cons Est)	(%) A	(%) A (Adj*)	(A-E) %
Sales	1,139.0	764.5	732.1	1,050.0	49.0%	55.6%	8.5%
EBITDA	164.6	152.0	119.6	151.0	8.3%	37.6%	9.0%
Net Income	46.1	57.4	42.8	41.7	-19.7%	7.7%	10.6%

\*Adj: Adjusted for one off subsidiary sale

Source: Financial Results announcement, Blg consensus estimates

Mytilineos and Metka continued from the excellent Q2 2011 results with another strong quarter.

Metka surpassed again analyst estimates (as in Q2 2011) to achieve higher revenue in Q3 2011 (compared to the already strong Q3 2010) and post record results for the quarter and for the 9-months. Acceleration of project execution continued with strength in Q3 2011 as in Q2. With the newly signed project in Iraq backlog stands at €1.9bn. As in H1 2011, Metka's growth drives Mytilineos' results to higher level.

Strong Metka revenue booking and additional energy contribution, added to a 15% growth in M&M turnover to help the Group post record high results for the 9m and surpass analysts' projections and adj 2010 net income.

The Group is set for a year with all time high revenue and (adjusted) profit generation.

## Jumbo (Q1 2011-2012)

Analyst: Nikos Papadopoulos NIPapadopoulos@ate.gr +30 210 36 87 857

Released Tues. Nov. 15<sup>th</sup> (amkt)

### Jumbo

#### Q1 11/12 Published Results-Bloomberg Consensus

(€mn)	Q1 12A	Q1 11 A	Q1 12E (Blg median Est)	(%) A	(A-E) %
Sales	120.6	116.5	121.0	3.5%	-0.4%
EBITDA	25.6	24.3	25.8	5.5%	-0.9%
Net Income	17.9	16.6	16.8	7.7%	6.6%

Source: Published Financial Statements, Bloomberg consensus estimates

Jumbo announced, as per its previous guidance, decent results despite the tough economic climate with 3.5% growth yoy in sales and 7.7% rise in net income. Relying on its product-price mix, on a new hyper-store opening in Bulgaria and one more store in Greece, Jumbo managed to open its financial year for 2011-2012 positively tracking its set target for annual sales growth of 0-2%.

## Titan Cement

Analyst: Electra Doumas EDoumas@ate.gr +30 210 36 87 853

Released Thurs. Nov. 10<sup>th</sup> (amkt)

### Q3 Published Results

(€mn)	Q3 11A	Q3 10A	(%) A
Sales	282.0	347.7	-18.9%
EBITDA	78.5	98.9	-20.6%
Net Income	29.5	30.0	-1.7%

Source: Published Financial Statements

### 9m Published Results

(€mn)	9m 11A	9m 10A	(%) A
Sales	838.9	1,028.5	-18.4%
EBITDA	219.8	260.3	-15.6%
Net Income	52.9	98.3	-46.2%

Source: Published Financial Statements

Titan reported a weak set of Q3 2011 results. Sales fell 18.9% to €282mn. EBITDA was down 20.6% to €78.5mn. Net income (EATAM) stood at €29.5mn, down 1.7% yoy. Net debt increased slightly to €768mn.

For the 9m 2011 period, Titan's turnover stood at €838.9m, down 18.4% yoy. **EBITDA** declined by 15.5% to €219.8mn. **Net income (EATAM)** stood at €52.9mn, down 46.2% yoy.

## OTE

Analyst: Electra Doulas EDoulas@ate.gr +30 210 36 87 853

Released Thurs. Nov. 10<sup>th</sup> (bmkt)

### Q3 Published Results

(€mn)	Q3 11A	Q3 10A	(%) A
<b>Sales</b>	1,312.5	1,392.7	-5.8%
<b>EBITDA</b>	464.3	495.0	-6.2%
<b>Net Income</b>	104.4	126.3	-17.3%

Source: Published Financial Statements

### 9m Published Results

(€mn)	9m 11A	9m 10A	(%) A
<b>Sales</b>	3,792.2	4,152.4	-8.7%
<b>EBITDA</b>	1,254.5	1,436.9	-12.7%
<b>Net Income</b>	196.8	131.3	49.9%

Source: Published Financial Statements

**OTE** reported improved trends for the first time since H2 2009. In Q3 2011 **revenues** were down 5.8% yoy to €1.31bn, mainly due to domestic fixed voice and mobile handset sales decline. **EBITDA** for the period was down 6% yoy to €468mn, on large declines in Greek and Romanian fixed-line business.

**Net debt** fell to €4bn, reflecting strong FCFs of €156mn in Q3 2011.

## Frigoglass

Analyst: Electra Doulas EDoulas@ate.gr +30 210 36 87 853

Released Thurs. Nov. 10<sup>th</sup> (bmkt)

### 9m Published Results

(€mn)	9m 11A	9m 10A	(%) A
<b>Sales</b>	438.6	346.6	26.5%
<b>EBITDA</b>	65.1	59.4	9.5%
<b>Net Income</b>	19.5	19.0	2.3%

Source: Published Financial Statements

**Frigoglass** reported a relatively good set of 9m 11 results. **Sales** increased by 26.5% in 9m 2011 to €438.6mn, with sales in Q3 increasing by 4.9%, cycling strong double digit growth in both comparable prior year periods. This performance was driven by Cool Operations, where sales increased by 27% in 9m 2011, to €364.6mn. Sales at Glass Operations increased by 24.2% in 9m 2011 to €73.9mn, with Frigoglass Jebel Ali contributing €8.1mn for the four months consolidation. **EBIT** increased by 9% yoy for 9m 2011 to €44.2mn, with the respective margin decreasing by 160 basis points to 10.1%, compared to 11.7% in the comparable prior year period. Excluding the effect on non-recurring items and input costs, the benefits of volume leverage would have increased EBIT margin for 9m 2011, compared to the prior year period. **Net Profit** increased by 2.3% yoy to €19.5mn in the nine months compared to €19mn in 9m 2010. **Cash flow** generated from operating activities, before working capital movements, was €66.8mn in 9m 2011 compared to €60.7mn in 9m 2010. Working capital movements together with capital expenditure of €20.8mn and the acquisition of Frigoglass Jebel Ali for €4.2mn resulted in a cash outflow of €73.6mn after operational and investing activities in 9m 2011 compared to an outflow of €46.9mn in 9m 2010. The rise in sales led to increased working capital requirements in the nine month period. However, the net working capital to sales ratio improved to 0.51x compared to 0.56x in the comparable prior year period.

## Coca Cola Hellenic

Analyst: Electra Doulas EDoulas@ate.gr +30 210 36 87 853

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

### Q3 Published Results

(€mn)	Q3 11A	Q3 10A	(%) A
<b>Volume (mn unit)</b>	581.7	610.5	-4.7%
<b>Sales</b>	1,929.8	1,998.6	-3.4%
<b>EBITDA</b>	315.5	395.9	-20.3%
<b>Net Income</b>	155.6	216.6	-28.2%

Source: Published Financial Statements

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

### 9m Published Results

(€mn)	9m 11A	9m 10A	(%) A
<b>Volume (mn unit ca)</b>	1,618.0	1,619.5	-0.1%
<b>Sales</b>	5,325.5	5,298.7	0.5%
<b>EBITDA</b>	755.8	911.1	-17.0%
<b>Net Income</b>	301.6	418.5	-27.9%

Source: Published Financial Statements

**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

Analyst: Electra Doulas EDoulas@ate.gr +30 210 36 87 853

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

### Q3 Published Results

(€mn)	Q3 11A	Q3 10A	(%) A
<b>Sales</b>	10.4	10.6	-1.9%
<b>EBITDA</b>	5.4	5.0	6.8%
<b>Net Income</b>	5.1	4.2	19.8%

Source: Published Financial Statements, consensus estimates

### 9m Published Results

(€mn)	9m 11A	9m 10A	(%) A
<b>Sales</b>	38.7	44.8	-13.6%
<b>EBITDA</b>	23.6	28.3	-16.8%
<b>Net Income</b>	21.8	14.2	53.3%

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

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### 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
PPC	PPC GA / DEHr.AT	€ 4.40	24.11.2011	NR	-
Hellenic Petroleum	ELPE GA / HEP.r.AT	€ 6.26	24.11.2011	O	-
Metka	METTK GA / MTKr.AT	€ 5.88	24.11.2011	O	-

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- 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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- 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	6 (24%)	1 (4%)	0 (0%)	14 (56%)	3 (12%)	1 (4%)	-	-
Inv est. Banking Services (per category)	0	-	-	-	-	-	-	-	-

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## ATE Securities SA, Member of the ATEbank Group

Member of the Athens Stock Exchange, Member of the Derivatives Stock Exchange

Head Office: 1 Filellinon Street, 10557 Athens, Greece. Email: [atex@ate.gr](mailto:atex@ate.gr), Tel: +30 210 36.87.700, Fax : +30 210 36.44.481

Internet address: [www.atesecurities.gr](http://www.atesecurities.gr)

Name	Email	Telephone	Fax
<b>Research &amp; Analysis</b>		<a href="mailto:ateresearch@ate.gr">ateresearch@ate.gr</a> <a href="mailto:ateresearch@bloomberg.net">ateresearch@bloomberg.net</a>	+30 210 36.87.850
Anthony Christofidis	<a href="mailto:achristofidis@ate.gr">achristofidis@ate.gr</a>	+30 210 36.87.852	
Electra Dourmas	<a href="mailto:edourmas@ate.gr">edourmas@ate.gr</a>	+30 210 36.87.853	
Nikos Papadopoulos	<a href="mailto:nipapadopoulos@ate.gr">nipapadopoulos@ate.gr</a>	+30 210 36.87.857	
<b>Institutional Sales</b>			
George Bogiatzis	<a href="mailto:gbogiatzis@ate.gr">gbogiatzis@ate.gr</a>	+30 210 36.87.750	
<b>Equities Trading</b>			+30 210 36.44.530
Vassilios Tatarakis	<a href="mailto:vtatarakis@ate.gr">vtatarakis@ate.gr</a>	+30 210 36.87.711-741	
Ioannis Voidonikolas	<a href="mailto:ivoidonikolas@ate.gr">ivoidonikolas@ate.gr</a>	+30 210 36.87.777-888	
Konstantinos Mpallios	<a href="mailto:kbalios@ate.gr">kbalios@ate.gr</a>	+30 210 36.87.708	
Fotis Karalis	<a href="mailto:fkarak@ate.gr">fkarak@ate.gr</a>	+30 210 36.87.719	
<b>Derivatives</b>			
Michael Matsoukas	<a href="mailto:mmatsoukas@ate.gr">mmatsoukas@ate.gr</a>	+30 210 36.87.828	
Othonas Siakoulis	<a href="mailto:osiakoulis@ate.gr">osiakoulis@ate.gr</a>	+30 210 36.87.705	