

GREECE: The New Reform Agenda

Investment & Business Opportunities in Greece

A Global Investor's Perspective

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New York City

AGENDA

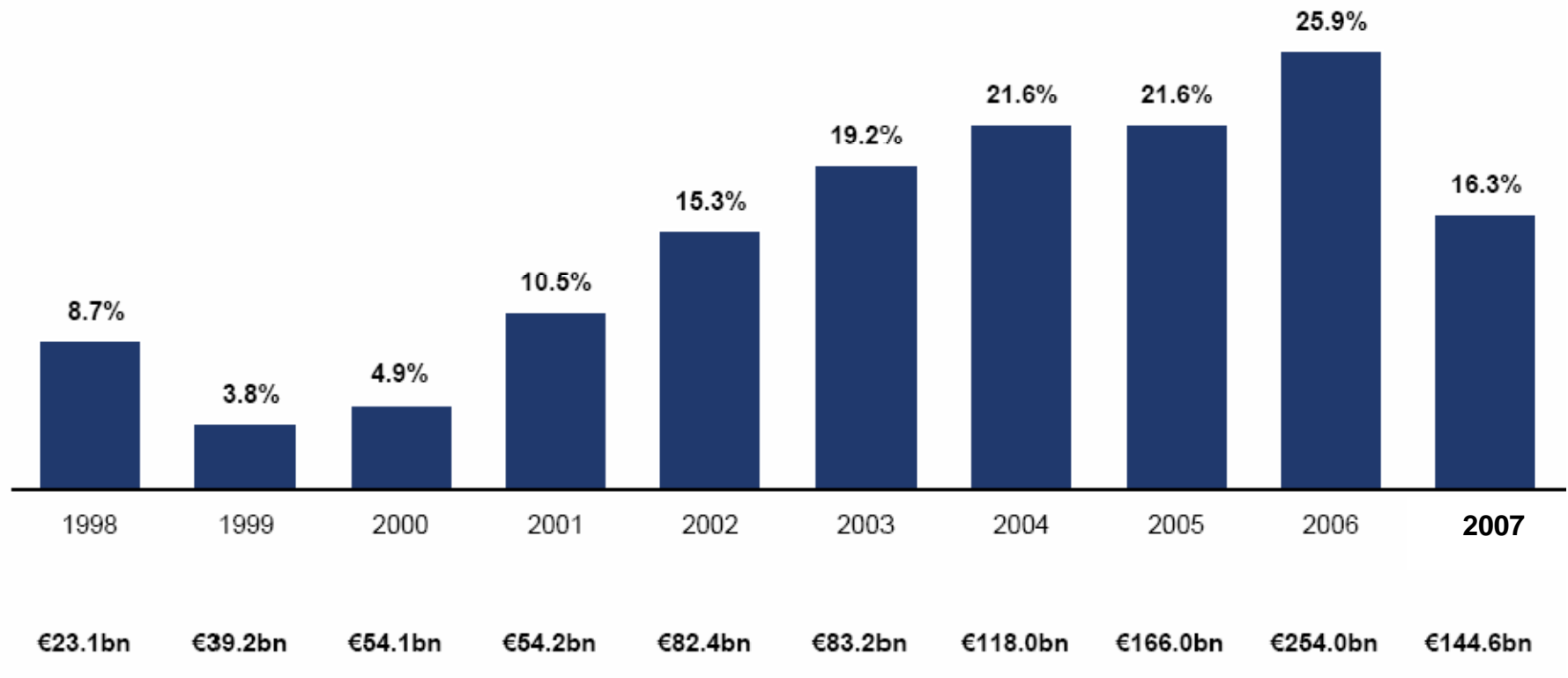
Greece as an investment destination

Case Studies

Conclusions

Private Equity is a Major Player in European M&A

European LBO Activity as a % of all European M&A value



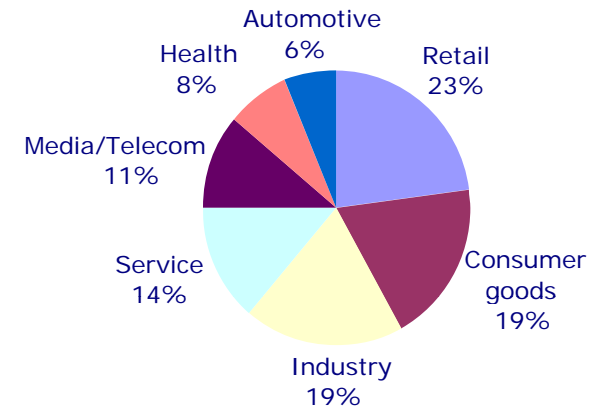
BC Partners

London Paris Milan Hamburg Geneva New York

BC Partners: a Leading Global Private Equity Fund – 1

- ❑ Investment in 67 companies since foundation in 1986
 - Total transaction value of US\$100bn
 - Invested in 13 countries in Europe, US and Asia
 - Current portfolio companies representing an aggregate turnover of US\$30bn and employing 81,000 employees
- ❑ Over US\$17bn raised in eight funds
 - Fund VIII with US\$9.3bn of equity
 - Up to US\$2.4bn equity for single transaction available plus additional equity from BC funds co-investors
 - Average transaction value of investments of US\$3.1bn since 2000 (from US\$141m to US\$29.9bn)
- ❑ Presence in Europe and the US
 - Offices in London, Paris, Milan, Geneva, Hamburg, and New York
 - 50 investment professionals with broad individual experience

BC Funds Investments by Sector














International Presence



BC Partners: a Leading Global Private Equity Fund – 2

Selected Transactions

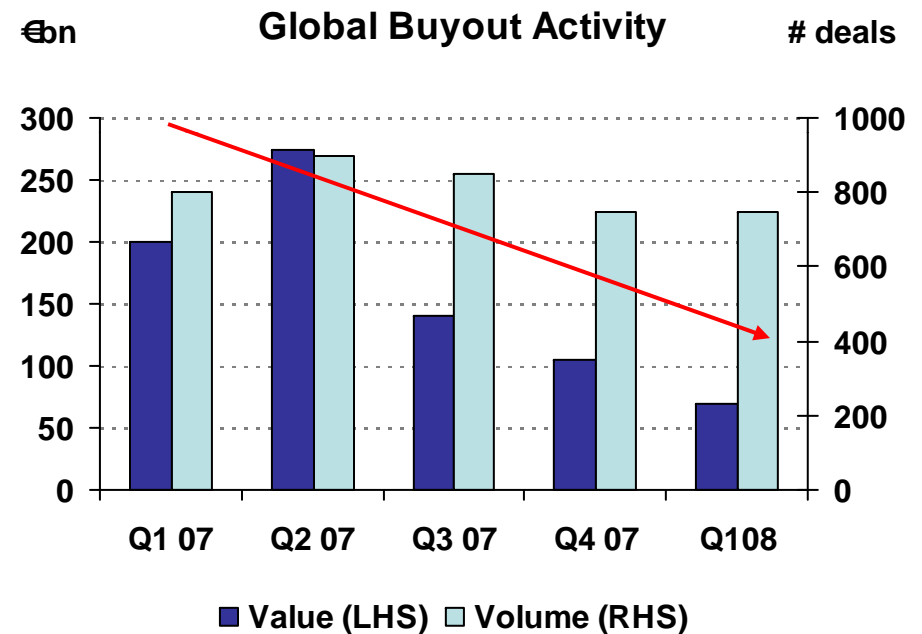
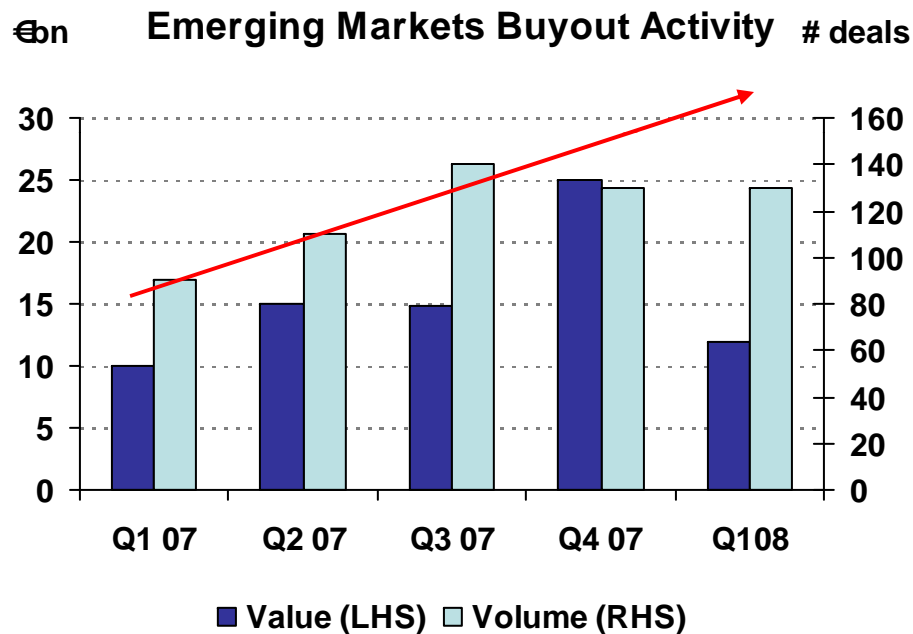
Media & Telecom	Healthcare	Consumer & Retail	Automotive	Industrials	Services	Leisure
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 n9UF telecom				 BRENNTAG		
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BC Partners

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SE Europe Growing as an Investment Destination

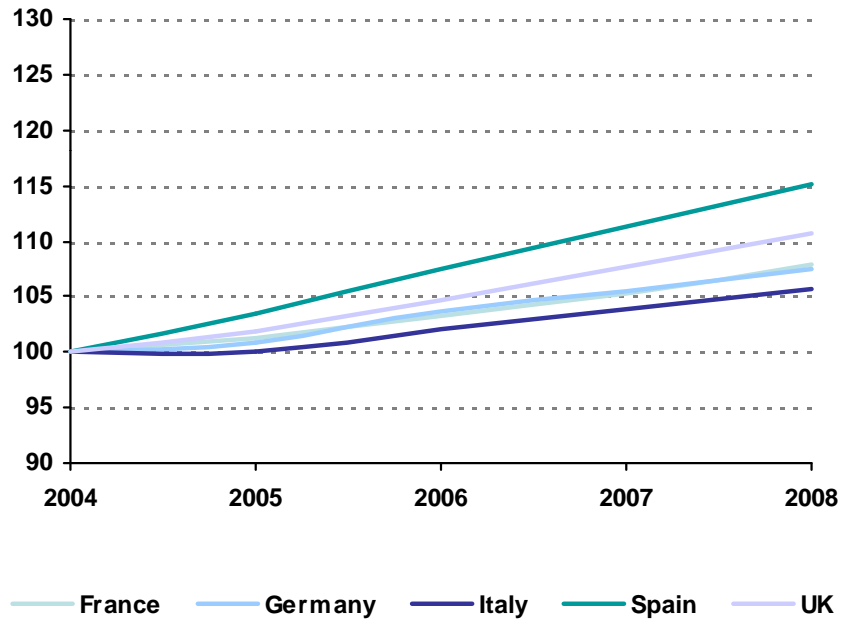
- Deals are increasingly financed by local banks, with less exposure to international credit markets



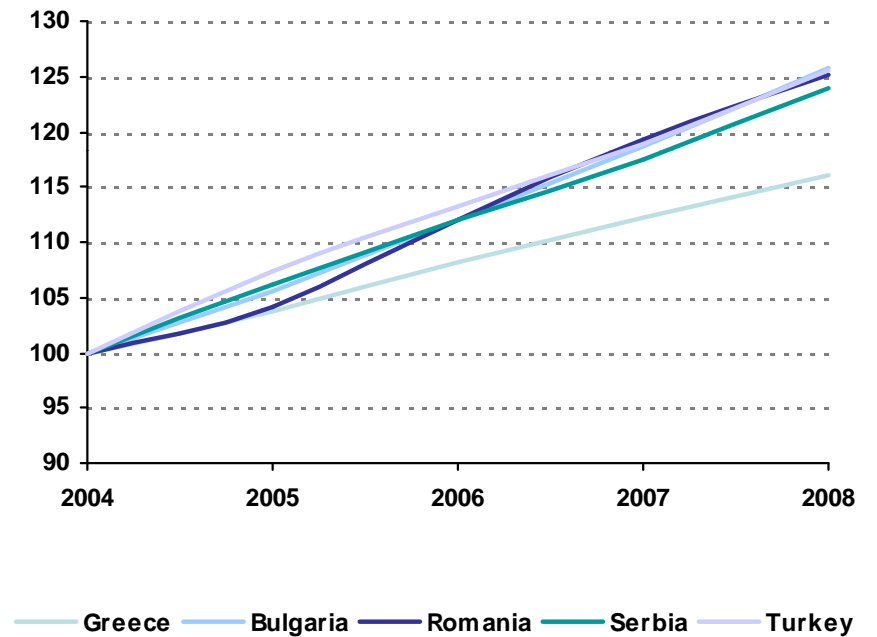
Source: Dealogic

GDP Growth has Outpaced WE Economies

Western Europe
GDP Growth Index (2004=100)



South East Europe
GDP Growth Index (2004=100)



Source: IMF, Note: Constant currency

BC Partners

London Paris Milan Hamburg Geneva New York

Recent Key Transactions in SE Europe

€984m



Regency Entertainment

€1,600m



TIM Hellas

€684m



Neochimiki

€300m



Infote

€2,000m

MIGROS

Migros Turk

€910m

UN

UN RoRo

N/D



Mey Icki

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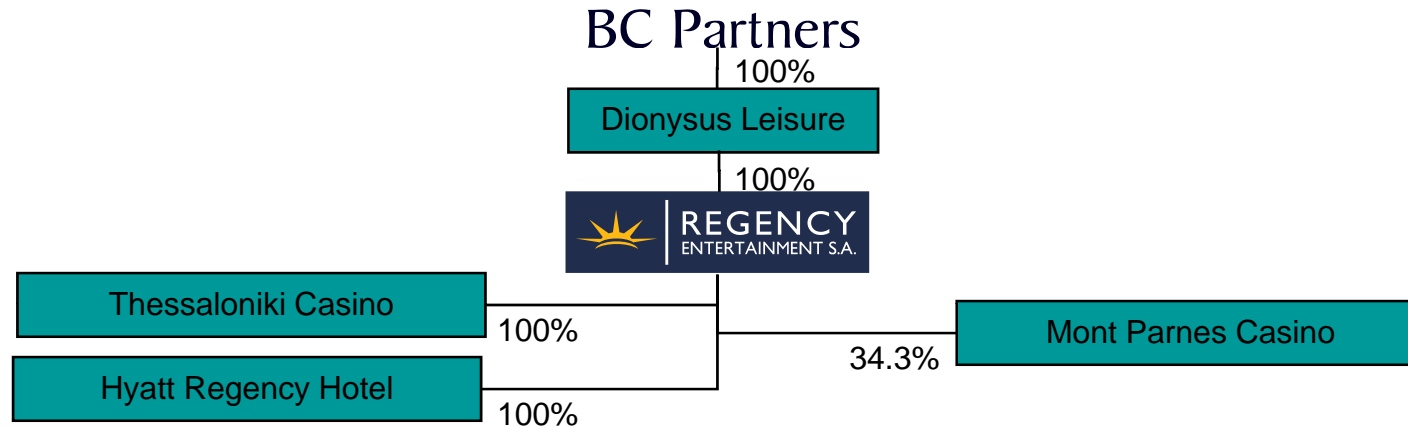
Case Study I: Regency Entertainment

BC Partners

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Transaction overview

BC Partners acquired Regency Entertainment for €1.0bn



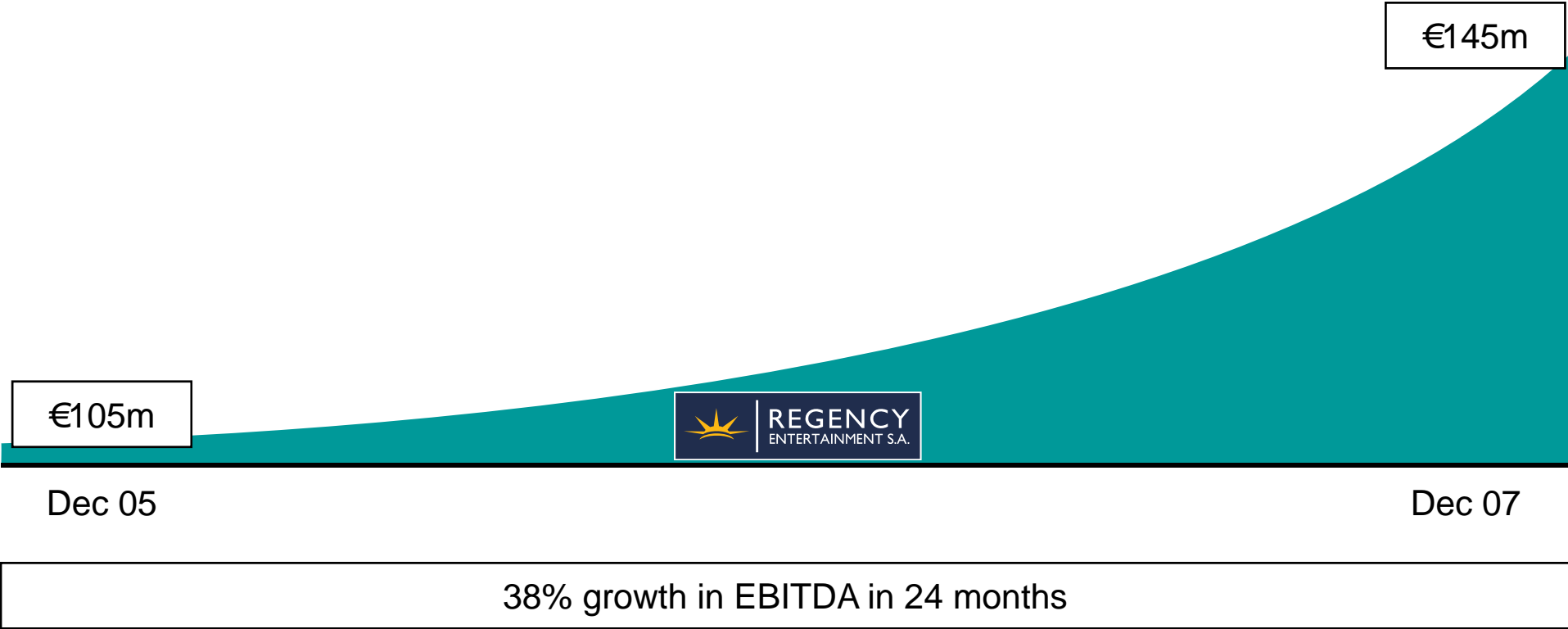
- ▶ In January 2006, the main shareholders of Regency Entertainment (ex Hyatt Regency Casinos) agreed to sell their 51.87% stake in the company to BC Partners
- ▶ BC Partners spent the following two years acquiring the remaining free float
- ▶ The company owns 100% of the only casino in Thessaloniki and 34.3% of the nearest casino to Athens. The two casinos account for more than 50% of the Greek gaming market
- ▶ The company also owns 100% of the Hyatt Regency hotel in Thessaloniki

First ever LBO of a company listed on the Athens Stock Exchange

Rationale for transaction

- ▶ **Local monopoly position**
- ▶ **Prime locations in densely populated areas**
- ▶ **Very favourable industry dynamics**
- ▶ **High barriers to entry**
- ▶ **Untapped demand to be exploited in Athens**
- ▶ **Redevelopment of Mont Parnes Casino**
- ▶ **Experienced management team**
- ▶ **Highly cash generative business**
- ▶ **Potential for a number of operations improvements**

EBITDA evolution

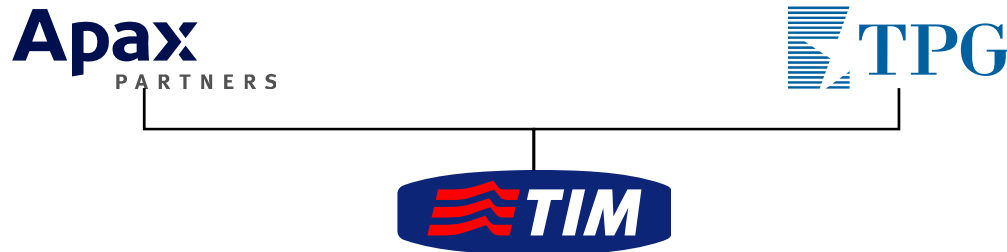




Case Study II: TIM Hellas

Transaction overview

Apax Partners and Texas Pacific Group acquire TIM Hellas for €1.6bn



- ▶ On 4 April 2005, TIM International announced a conditional agreement for the disposal of its 80.87% equity stake in TIM Hellas
- ▶ The acquirer was a special purpose vehicle owned by private equity funds advised by Apax Partners and Texas Pacific Group
- ▶ TIM International received approximately €1,114m for its holding, which is equivalent to €16.43 per share and corresponds to an Enterprise Value of €1.6 billion for 100% of TIM Hellas
- ▶ Minority shareholders received the same price with that of TIM International

Largest ever LBO in Greece

First ever LBO of a Greek Société Anonyme

Rationale for transaction

- ▶ One of three players in attractive market
- ▶ Very high barriers to entry in mobile market
- ▶ Strong dependable cashflows from subscriber base
- ▶ Strong brand associated with innovation in Greece
- ▶ Under-penetrated Greek mobile market with 78% penetration vs 90-100% in most EU countries
- ▶ Rationale for Q-Telecom was synergies from using the same network
- ▶ Company was badly managed by Telecom Italia – losing market share

New strategy

Increase customer acquisition

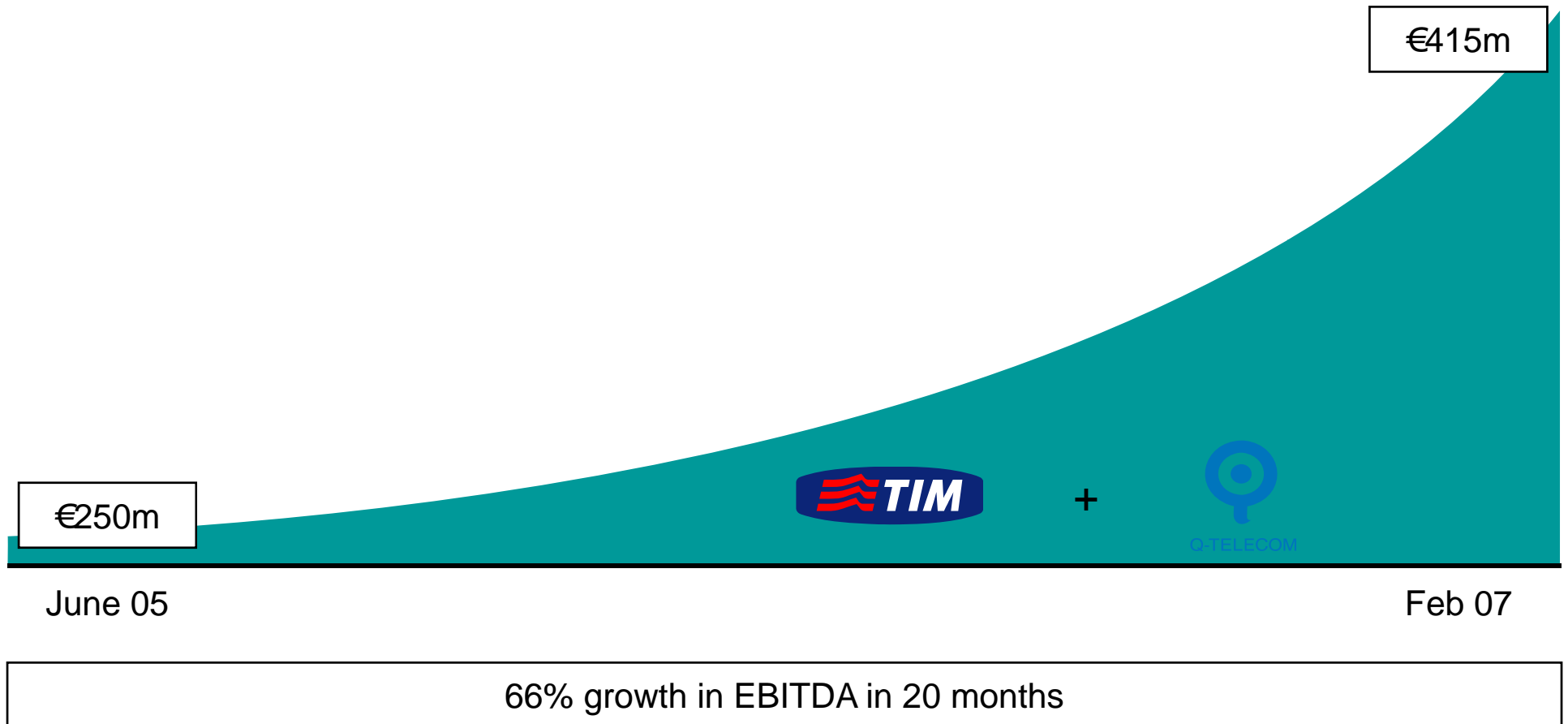
Increase ARPU^(a) and stimulate usage

Increase customer retention

Exploit potential in next generation services

(a) Average Revenue Per User

EBITDA evolution



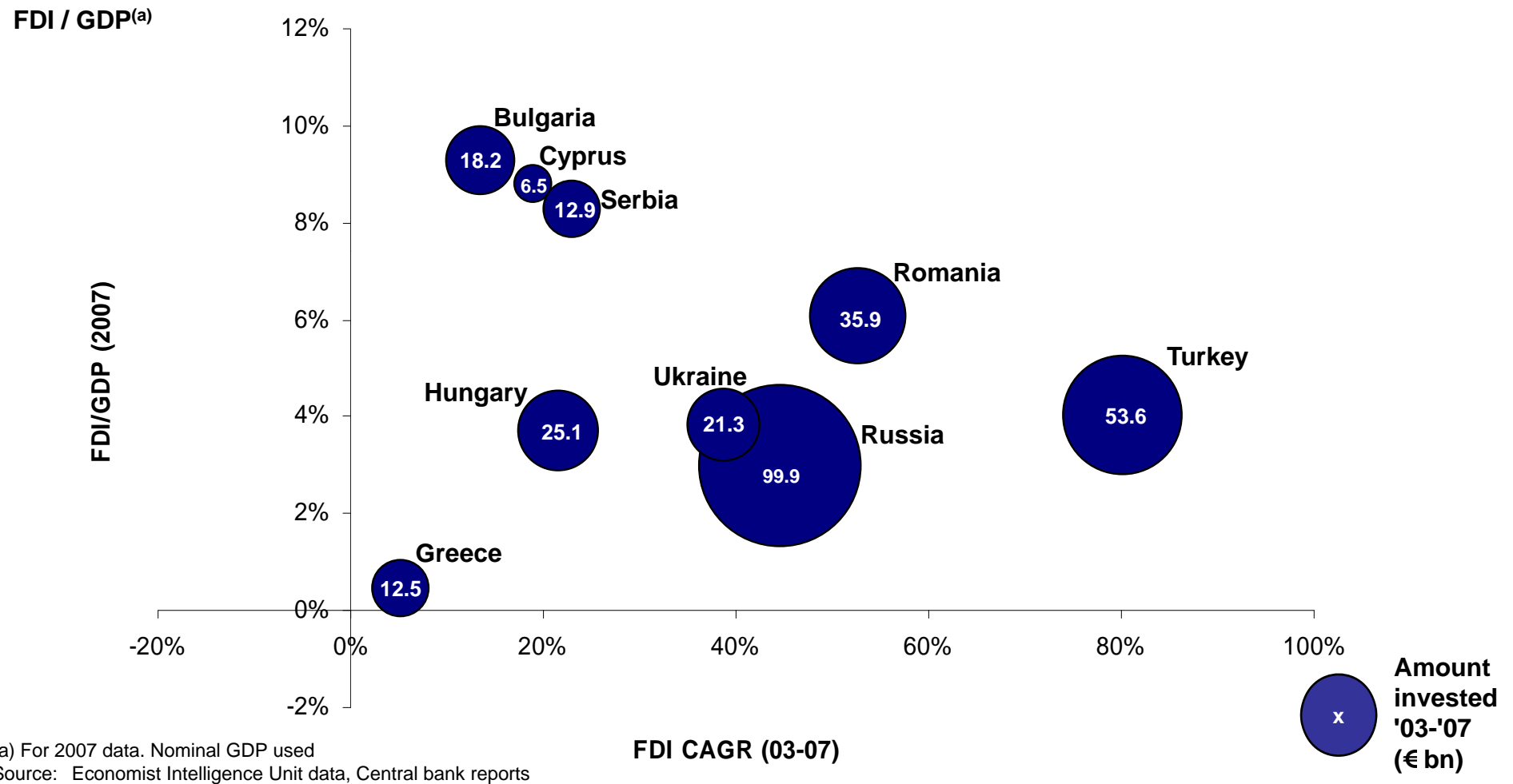
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Foreign Investors are Increasingly Interested in the Region



Greece - Key Challenges

- ❑ **Administrative obstacles**
 - *Bureaucracy*
 - *Unions/industrial actions/labour terms*
 - *Changing tax regimes*
- ❑ **Size of market**
- ❑ **Political stability**
- ❑ **GDP growth slowdown**
- ❑ **Transparency and speed of decision-making**
- ❑ **Investor protection**