



Capital Link Invest in Cyprus Forum

Wednesday, March 22, 2017

The Metropolitan Club, One East 60th St., New York City



Press Release

H.E. NICOS ANASTASIADES, PRESIDENT OF THE REPUBLIC OF CYPRUS DELIVERED THE KEYNOTE ADDRESS AT CAPITAL LINK INVEST IN CYPRUS FORUM : “CYPRUS AS A BUSINESS AND INVESTMENT DESTINATION”

New York, March 22, 2017

The “Capital Link Invest in Cyprus Forum” aims to raise awareness about Cyprus as an investment and business destination to a wider investor audience through a prestigious, high caliber, high impact international summit that takes place in New York. The Forum took place in New York on Wednesday, March 22, 2017, at the Metropolitan Club, in cooperation and with the support of the Cyprus Union of Shipowners, the Cyprus Investment Promotion Agency and the Cyprus - US Chamber of Commerce. Main sponsors of the conference are the Cyprus Union of Shipowners and Ernst & Young.

More than **500 delegates** attended the forum, which provided them with a unique combination of informational, marketing and networking opportunities. Besides the high level panel discussions, a series of one-to-one meetings took place with government officials and company executives. **Distinguished speakers and executives** from the entire spectrum of financial, investment and business communities, such as US institutional investors, investment and commercial banks, analysts, financial advisors and companies with activity in Cyprus, as well as international Cypriot and Greek media participated in the forum.

The Forum presented the developments and reforms in the Cypriot economy and the Cypriot Government’s programme for the economy and investments. It highlighted investment and business opportunities in key areas such as banking and financial services, shipping and transportation, logistics, energy, IT and tourism. And it stressed the increasing importance of Cyprus as a regional maritime, logistics, energy and operational hub.

It attracted the highest level of participation from both the government and the private sectors in Cyprus and the United States. It featured the President of the Republic of Cyprus, the Deputy Assistant Secretary of the US Department of State, 3 key Cypriot Government Ministers, international companies and investors currently active in Cyprus, the Presidents of the Cyprus Union of Shipowners and of the Cyprus Investment Promotion Agency, the CEOs of major Cypriot banks and senior executives of Cypriot, US and international companies active in the region. This was a top level international summit about Cyprus featuring more specifically:

- 3 of the largest Cypriot banks: Bank of Cyprus, Cooperative Central Bank, Hellenic Bank
- Senior Representatives from European & International Organizations: European Bank for Reconstruction and Development and European Investment Bank
- Global Commercial and Investment Banks: CITI, Goldman Sachs
- the 4 largest international auditing and consulting firms: Ernst & Young, Deloitte, PricewaterhouseCoopers, KPMG and also McKinsey & Company
- International giants in the energy sector: ENI, Delek Group & Avner Oil & Gas Exploration, Exxon Mobil, Noble Energy,
- US investors with active presence in Cyprus: Third Point, Invesco Private Capital / WL Ross & Co., Spectrum Gaming Capital
- Major shipping companies: The Cyprus Union of Shipowners, Safe Bulkers, which is listed on the New York Stock Exchange and Euroseas which is listed on NASDAQ; Cyprus Sea Lines Shipping;
- Major shipping industry participants: Columbia Shipmanagement, Tototheo Group;
- Cypriot American Entrepreneurs with investment presence in Cyprus : Nikos Mouyiaris, Dinos Iordanou, Andreas Kramvis, John Televantos.



LUNCHEON & KEYNOTE ADDRESS

Mr. Andreas Hadjiyiannis, President - Cyprus Union of Shipowners introduced the Keynote speakers at the Luncheon.

Keynote Remarks were given by **Mr. Jonathan Cohen**, Deputy Assistant Secretary -European and Eurasian Affairs – U.S Department of State.

The Keynote Address was made by **H.E. the President of the Republic of Cyprus H.E. Nicos Anastasiades, who mentioned in his speech:**

“In 2013 a deep financial crisis made worldwide headlines and connected our country’s name to the phrase “capital controls”. Four years later we can proudly -once more- connect Cyprus to growth and potential. The Cypriot economy is emerging stronger and stands ready to face current challenges, utilizing its full potential.

Decisive reforms, prudent fiscal management, hard work and the peoples determination made sure that Cyprus exited the economic adjustment programme earlier than expected. The State gained access to lending with interest rates which are now at historically low levels, as a result of continuous upgrading of the economy by international rating agencies. The banking sector has now been restructured and recapitalized (mostly through private funds), becoming smaller with more effective management and supervision.

Already in 2015 the Cyprus economy had recorded a positive growth rate amounting to 1.7%. For 2016 growth was at 2.8%, one of the highest rates in the European Union. Most importantly this growth rate is expected to stay at this level for the next few years.

Despite the economic difficulties that we have faced, our country’s comparative advantages not only remain intact, but have been further enhanced and expanded, setting them apart from most investment destinations.

These include a significant network of Agreements for Avoidance of Double Taxation (60 so far), a highly qualified and professional workforce, and a fully EU-harmonised tax and legal system. Cyprus has one of the lowest and most competitive corporate tax rates in Europe at 12.5%, deeming it an attractive investment destination, and a highly competitive centre for international businesses, offering a platform for operations and preferential access to markets like Europe, Middle East, North Africa and Asia.

We are now focusing on attracting investors in the productive sectors of the economy. This is my Government’s most important priority, following the restoration of the state’s and the financial system’s credibility. We have been continuously improving the business environment. There is an ongoing process to modernise and reform the current tax and legal framework as part of our concerted drive to create a friendlier business environment. Decisive structural changes and significant reductions of public expenditure have been instrumental in deeming Cyprus even more competitive and efficient. We are simplifying procedures for the faster issuing of permits and licensing of investment projects and operation of businesses, and have focused on the speedier granting of residence permits to foreign investors and entrepreneurs on the basis of specific economic criteria. The majority of economic sectors in Cyprus present growth opportunities: tourism, telecommunications, shipping, real estate, education, health, transport, research and innovation. The energy sector is also a promising field. The discovery of natural gas reserves within Cyprus’ Exclusive Economic Zone creates excellent investment prospects in the energy sector and supplementary services.

Cyprus has seen important US investments in the last years and a rising interest in Cyprus’ energy prospects, especially from large US oil and gas companies for securing an offshore exploration license. There are indeed rewarding opportunities for US-based investors to exploit the island’s strategic links to the Middle East and Europe, in all economic sectors.



Our efforts to improve the business environment are continuing. Our focus on reforms and strengthening the economy's reliability is strong and decisive. We are ready to address today's challenges and build a peaceful and prosperous future for the next generations.

Deputy Assistant Secretary of State for European and Eurasian Affairs Jonathan R. Cohen highlighted Cyprus' liberal investment climate and offshore energy potential, which make it an attractive destination for U.S. investors. He said the resulting prosperity from gas discoveries in the Eastern Mediterranean has the potential to strengthen energy security throughout Europe and bring much-needed political and economic stability to the region. Cohen noted Cyprus' unrealized economic and political potential and underscored that "Cyprus' ability to attract investment and enhance regional energy cooperation would be significantly bolstered by reunification, and a lasting settlement would create major investment possibilities and improve economic well-being for all the people of Cyprus. A reunified Cyprus would generate economic prosperity, growth, and investment, improve regional security, and open economic, security, and political possibilities that have been shut for more than 40 years. Those developments are in America's interest and that has not changed with the change of administration, and consequently, neither has strong U.S. support for the settlement process."

Mr. Andreas Hadjiyiannis, President - Cyprus Sea Lines Shipping; President - Cyprus Union of Shipowners, said that on behalf of the CUS he was privileged to welcome H.E. Nicos Anastasiades, President of the Republic of Cyprus and the other dignitaries to this important international Forum on Cyprus in New York City. He stated "The Cyprus Union of Shipowners has been among the pioneers and lead supporters of this initiative to raise awareness of Cyprus as a business and investment destination to a wider audience. The caliber of the presenters and attendees is a testament to the interest that Cyprus can command. The Cyprus Union of Shipowners is committed to the further development and growth of the Cyprus Flag and to Cyprus attracting more business and investment to the wide range of opportunities that our country offers."

Sponsor of the Official Luncheon was "Mana Products Inc."

**INSTITUTIONAL INVESTORS ATTENDING THE FORUM
AND MEETING WITH THE REPRESENTATIVES OF THE CYPRIOT GOVERNMENT**

Institutional investors and Representatives of funds with investment interest in Cyprus participated at the Forum and many of them had personal meetings with the Ministers. We can indicatively mention the participation of the following : Alliance Bernstein - AEA Investors - Arsenal Capital, - Arch Capital Group Ltd - Atlas Merchant Capital LLC - Bank of Tokyo Mitsubishi - BTG Pactual - Calamos Investments - Duff & Phelps, LLC - Deutsche Bank - Dupont Capital Management - Eaton Vance Managers - Eden Roc Capital - Elements Capital Partners - Fortress Investment Group - Gamut Capital Management, L.P. - Grifon Capital - Heritage Realty Services LLC - Keefe, Bruyette & Woods, Inc. - Landesbank Baden-Wuerttemberg - Mana Products, Inc. - Objecutive, Inc., Teneo Capital, Valyrian Capital

PRESS CONFERENCE WITH "OMOGENEIKA MEDIA"

In the Context of the Forum, a press conference was organized with the Cypriot and Greek Media.

MEETINGS WITH INTERNATIONAL MEDIA

A series of meetings were organized with International Media : New York Times, Thomson Reuters, Wall Street Journal

FORUM OVERVIEW AND NOTES



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Nicolas Bornozis, President of Capital Link mentioned: “We are particularly proud to inaugurate the Capital Link Invest in Cyprus Forum. Our objective is to promote and raise awareness about Cyprus as a business and investment destination to a wider investor universe through a prestigious, high caliber, high impact event in New York City. Cyprus has come a long way restructuring its economy and is already a significant regional maritime, logistics, energy and operational hub. We are humbled to have with us today such a high level of representation, featuring political and business leaders and decision makers from the public and private sectors, including the President and three key Government Ministers from the Republic of Cyprus, the CEOs of major Cypriot organizations and senior executives of US and international companies active in the region. Capital Link’s commitment to Cyprus includes two major events. The “Capital Link Cyprus Shipping Forum” which took place in Limassol on Thursday, February 9, 2017 with great success. The second event is the “Capital Link Invest in Cyprus Forum” which is held today in New York. We would like to thank the sponsors, media partners and supporting organizations for their cooperation and contribution in making this event such a unique success.”

Introductory Remarks: The Emergence of Cyprus As A Regional Business Hub

Mr. Stavros Pantzaris, EY Cyprus Country Managing Partner, in his opening speech, talked about the emergence, or rather the re-emergence of Cyprus as a regional business hub, sharing Cyprus’ success story and its remarkable economic turnaround. The island’s strategic location, its EU membership and relatively low set-up and operating costs, its highly educated labour force and favourable tax regime, as well as the high quality of life, are only some of the benefits Cyprus has to offer, making it one of the most attractive destinations to foreign investors. According to Mr Pantzaris: “Cyprus has proven itself as a resilient and pro-business economy. Consecutive upgrades by international credit rating agencies and numerous large-scale projects, have all contributed to the resurgence of Cyprus as an enticing foreign direct investment location in Europe”.

FORUM SEGMENT ON THE ECONOMY - BUSINESS & INVESTMENT FRAMEWORK

KEYNOTE REMARKS: The Economy of Cyprus - Developments & Outlook

H.E. Harris Georgiades, Minister of Finance:

«This is without doubt a unique opportunity for government and industry to engage in a substantial discussion, highlighting the renewed prospects of Cyprus as a business and investment destination and, ultimately, fostering closer economic and commercial ties between the US and Cyprus.

A few years back, Cyprus regrettably made the news for all the wrong reasons, when it was engulfed in a severe economic and financial crisis. Since then, Cyprus has achieved a remarkable economic recovery, currently enjoying one of the highest growth rates in the EU and being increasingly considered as a stable, safe and attractive destination for new business and investment.

Cyprus is renowned year-round tourist destination, a major shipping centre and a competitive jurisdiction for business and financial services. It is also fast becoming a notable energy player, a centre for higher education and a base for investment fund management.

The government of Cyprus remains committed to maintaining macroeconomic stability and a business friendly economic environment and is engaged in a never-ending process to retain and improve the competitive edge of the economy.

The “Invest in Cyprus Forum” provides an ideal platform for raising awareness and laying the foundations for an even closer US-Cyprus relationship. Thank you to the organisers, the sponsors and of course, all those who are participating».

Cyprus: A Dynamic Business and Investment Centre

Mr. Christodoulos E. Angastiniotis, Chairman - Cyprus Investment Promotion Agency: «Cyprus is a well-established international business hub and preferred investment location with numerous competitive advantage and a growing economy. With more than 30 years of experience as an international Business & Investment Centre, Cyprus is widely



recognized for offering a wide range of high-quality services, which has played a vital role in shaping the country's economy. By continuously introducing new structural reforms, and with a focus on sustainable growth, Cyprus aims to enhance its competitive edge. The session will provide an overview on investment opportunities in a variety of focus sectors including Tourism, Large Scale Projects, ICT, Energy, Innovation and Start-ups, Banking & Financial Services and Investment Funds».

Doing Business in Cyprus - Legal and Tax Considerations

Mr. Pieris Markou, Partner, Tax & Legal Services Leader - Deloitte Limited: "Cyprus competitive advantages are enriched by a robust and transparent legal framework with an attractive tax regime. Cyprus follows a common law legal system enriched with contemporary European Law ensuring a legally solid and business friendly environment. The tax system is based on European principles with full transparency and compliance with global developments. The aim of the presentation is to convey to the participants the main tax and legal considerations of doing business in Cyprus".

Cyprus: Growth Opportunities in the Financial Sector and Beyond

Mr. Ernestos Panayiotou, Partner – McKinsey & Co., in his speech " Cyprus (10 years ahead): Growth opportunities in the financial sector and beyond " mentioned the following : "Cyprus has shown clear signs of recovery from the recent crisis, with the economy returning to growth, the fiscal budget registering surpluses and the financial sector stabilizing. In search of the next wave of growth, Cyprus should focus on enhancing its status as a business and financial center, maintaining a competitive position in tourism, and establishing itself as a core player in the regional energy and logistics landscape. To accomplish the above, a set of horizontal reforms to further augment the ease of doing business and the effectiveness of the public sector are required."

FORUM SEGMENT ON BANKING & FINANCIAL SERVICES

Mr. Costas Kellas, CEO – **Objective, Inc.**; **Former President – Hellenic American Bankers Association**, mentioned that "The finance industry in Cyprus recovers from its 2013 crisis. The banks return to business and the difficult political events in the UK and the elections across Europe help make Cyprus stand out as an ideal place for the Finance and Banking Industry across the European continent"

1st) PANEL DISCUSSION

Banking & Financial Services

Moderator:

Mr. Stelios Demetriou, Partner - EY Cyprus

Panelists:

- **Mr. John Patrick Hourican**, Chief Executive Officer - Bank of Cyprus
- **Mr. Nicholas Hadjiyiannis**, CEO - Central Cooperative Bank
- **Mr. Emiliou Kyriacou**, Managing Director, Citi Country Officer: Greece & Cyprus - Citibank Europe Plc., Greece Branch
- **Mr. Ioannis Matsis** - Hellenic Bank

Mr. Stelios Demetriou: In his introduction, Mr. Demetriou spoke about the transformation and return of confidence into the banking system since the 2013 crisis. The panellists discussed their opinion and strategy on NPL management going forward, potential areas of growth in Cypriot banking industry, and their views on the financial services digital revolution.

Mr. Nicholas Hadjiyiannis: "Cyprus, following an astonishing economic turnaround, offers an easy and unique investment exposure to specific Eurozone business sectors. Banking is one of them as the industry has undergone restructuring and recapitalisation, adapting to a demanding regulatory and competitive environment. Raising the



stakes further, the Coop Bank, has implemented ahead of schedule the largest transformation project ever attempted in the island, and in analogy in the South East Mediterranean, successfully demutualizing and merging 100 local Banks in a single Bank entity. This has opened the way for its privatisation, through a local stock exchange listing scheduled for 2017. The ambitious privatization will be the biggest ever in Cyprus and recently in the region, as the Bank, the biggest local retail bank and second by asset size, accounts for 80% of the country's GDP".

Mr. Emiliou Kyriacou: "Cyprus has achieved a swift fiscal turnaround through timely and effective budgetary discipline, the prudent continuation of which will determine the sustainability of the economic growth trajectory. Country's NPL stock remains a challenge and though financial sector has achieved progress further reduction is the catalyst for improved prospects for both the sovereign and the financial sector.

Citi has a long history of engaging with Cyprus and we remain committed to our clients on the island with whom we are privileged to enjoy close relationships. "

Mr. Ioannis Matsis: "The banking sector in Cyprus has undergone an almost complete transformation and it is now fully recapitalised. Adding to the credibility of the sector is the strong presence of international, institutional investors from the US and Europe. The fact that in 2017 the economy will be sustainably growing at rates close to 3%, this creates great financing and investment opportunities. At Hellenic Bank, we focus on extending new loans to viable enterprises and support investment in those sectors that constitute the main drivers of our economy, such as tourism, shipping, and energy".

2nd) PANEL DISCUSSION

Developing the Fund Industry Through Cyprus - Cyprus as the Gateway to the European Union

Introductory Remarks:

Mr. Andreas Christofides, Executive Director - Granfeld Wealth Management; Member of the Board of Directors - Hellenic Bank

Presenters:

- **Mr. Christos V. Vasiliou**, Deputy Managing Director and Head of Advisory - KPMG Ltd
- **Mr. Andreas Yiasemides**, Partner, Head of Fund Services – PwC

Mr. Andreas Christofides, Executive Director - Granfeld Wealth Management; Member of the Board of Directors - Hellenic Bank mentioned the following in his speech : "Under the leadership of the Cyprus Investment Funds Association (CIFA), the fund management industry in Cyprus is registering significant progress and success. Legal and tax framework enhancements have given Cyprus a comparable status with other EU jurisdictions. With further legal improvements in the pipeline, the fund industry aims to capitalise on Cyprus's EU Freedom of Services license, as well as its geographical position, in particular its proximity to the Middle East and Africa. The industry's strategic focus is on the Alternative Investment Funds (AIFs) that can be used for management and capital raising purposes".

Mr. Christos V. Vasiliou analyzed the Asset management framework operating in Cyprus and addressed the specific advantages Cyprus can offer to US fund managers wishing to raise capital in Europe.

Cyprus can offer ideal distribution opportunities through its strategic location and its favorable tax system in particular for asset managers'.

Among the attractive solutions proposed is the establishment of a European Management Company and in this respect Cyprus offers a vast network of service providers, human resources, and favorable legal environment and the Management Company "platforms" which are currently the most popular means of gaining entrance to Europe.

Mr. Andreas Yiasemides: "The Republic of Cyprus has modernized its legislation governing investment funds with the aim to offer alternative solutions. As a result, the country has developed into a key regional domicile for Alternative Investments Funds offering a choice of flexible and advantageous structures to investors. Establishing an



Alternative Investment Fund can attract enormous benefits, when established in Cyprus including the European passporting for the distribution of the Fund's units. Investors will not only benefit from the favorable tax regime of the Republic of Cyprus, but also from the modernized legislation, the easy and cost efficient process to set up and maintain a fund and the extensive range of legal, accounting and financial services provided by local experts."

FORUM SEGMENT ON ENERGY

PANEL DISCUSSION

Cyprus as a Regional Energy Hub - Business & Investment Opportunities in Energy

Introduced by:

Mr. Aristos Constantine – Cyprus Trade Commissioner

KEYNOTE REMARKS:

H.E. Yiorgos Lakkotrypīs, Minister of Energy, Commerce, Industry & Tourism

Moderator:

Mr. Stavros Pantzaris, Country Manager Partner - EY Cyprus

Panelists:

- **Mr. Ed Cox, Director** - Noble Energy
- **Mr. Yaniv Friedman**, Deputy CEO - Delek Drilling & Avner Oil Exploration
- **Mr. Jay Jackson**, Europe/Caspian Exploration Manager - Exxon Mobil
- **Mr. Gianni Di Giovanni**, Chairman - Eni Petroleum Co. Inc.

H.E. Yiorgos Lakkotrypīs: "The discovery in 2011 of the "Aphrodite" gas field in Cyprus' Exclusive Economic Zone creates new prospects for our country and our economy. The high expectations of the hydrocarbons industry regarding our island's energy potential are evident by the presence of oil and gas companies of the highest caliber, including EXXONMOBIL, QATAR PETROLEUM, ENI, TOTAL, KOGAS, SHELL, NOBLE ENERGY and DELEK GROUP. Moreover, the recent gas discoveries offshore Cyprus, Israel and Egypt, have put the Eastern Mediterranean on the global energy map, creating investment opportunities in large-scale oil and gas infrastructure projects, with the potential to service the entire region using Cyprus as a base."

Mr. Aristos Constantine: «Cyprus is one of the world's most promising international business centers offering unique advantages and an abundance of new investment opportunities. For business' looking for a place in Europe to establish regional headquarters or operations with the benefit of EU Passporting for the European Union but also unparalleled access to the East Med region and beyond, Cyprus should be at the top of the list. In particular, given the developments in the Energy Sector both within Cyprus' EEZ as well as in neighboring Egypt and Israel, Cyprus constitutes an ideal jurisdiction for both energy companies and energy service companies to base their regional operations».

Mr. Stavros Pantzaris: "The discovery of gas reserves in the Aphrodite gasfield back in 2011 has firmly placed Cyprus on the map as a hotspot for investment from the US, Europe, Asia, and the Middle East. Cyprus has already attracted global energy giants such as ENI, Total and ExxonMobil to explore its waters for more discoveries. The potential for further significant discoveries within the EEZ of Cyprus remains strong. These developments, as well as the country's regional partnerships with neighbouring countries, aim towards establishing Cyprus as a key regional energy hub in the Eastern Mediterranean".

Mr. Ed Cox: "Large discoveries of hydrocarbons in the Eastern Mediterranean are already having a geopolitical impact, and when developed, can be a major economic driver for the area. Cyprus is well situated to benefit commercially, economically and politically from its geography, the territorial presence of hydrocarbons and its business and ethnic cultures assuming wise political leadership and diplomatic engagement. Successful development of offshore hydrocarbons requires long term planning and commitments of expertise and capital and is difficult enough in stable political environments. The fact that the Eastern Mediterranean is a "tough neighborhood"



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with governance of relevant territories in extreme flux is an over arching factor which can determine the success or failure of the opportunity for the neighborhood lying under its seas”.

Mr. Yaniv Friedman: "We at Delek Drilling and Avner consider ourselves fortunate to be at the forefront of the East Med Energy story being a major partner in all of the large offshore discoveries in recent years, Tamar, Leviathan and Aphrodite that have unlocked a new, exciting underexplored basin that is already changing our region for the better. We are strong believers in regional cooperation and demonstrating it can be achieved. For us, being part of the Aphrodite Project, which is also the largest investment in Cyprus, means that Cyprus is an integral, critical part and has a pivotal role in our strategy and in this regional evolving and growing energy play. "

Mr. Jay Jackson:

- ExxonMobil has successfully marketed fuels and lubricants in Cyprus for over 55 years through our network of Esso-branded service stations, qualified fuels and lubricants resellers, and large customers.
- Recent upstream gas discoveries in the Eastern Mediterranean region reflect the promising future potential for hydrocarbons in Cyprus.
- ExxonMobil and our partner Qatar Petroleum were selected to negotiate the terms of an Exploration and Production Sharing Contract for offshore Block 10. We bring a highly experienced staff, proprietary technology, and gas commercialization capabilities – including our leading position in the rapidly growing liquefied natural gas (LNG) business – in which we participate through the entire value chain, from offshore production through to marketing. We are confident that our exploration activities, if successful, could bring significant long-term benefits to Cyprus.
- The industry environment for both private sector and government participants remains challenging. Competition for investment resources is more vigorous in this environment.
- With sound frameworks in place, governments will be able to attract fiscally and technically capable operators, such as ExxonMobil, to best capture the value of their natural resources.

Mr. Gianni Di Giovanni: “The Mediterranean region continues to play a pivotal role in global context, as the very contemporary factors of geopolitics, migration, development, terrorism, the environment and energy keep what the Romans called Mare Nostrum firmly at the top of the agenda of policy makers, business and academia. Even in this most challenging context, major new huge natural gas discoveries in the Eastern Mediterranean can play a significant role in redefining the Southern shore: from being an immediate source of crisis and alarm, to one which also holds a promise of prosperity for countries of the Southern Mediterranean and for Europe”

FORUM SEGMENT ON SHIPPING & LOGISTICS
Cyprus as a Regional Maritime & Logistics Industry Hub

KEYNOTE REMARKS: H.E. Marios Demetriades, Minister of Transport, Communications and Works

1st PANEL DISCUSSION

Cyprus as a Shipowning Hub

Moderator: Mr. Costas Georghadjis, Audit Partner - Deloitte

Panelists:

- **Mr. Polys Hajioannou,**CEO - Safe Bulkera; Vice President - Cyprus Union of Shipowners
- **Mr. Andreas Hadjiyiannis,**President - Cyprus Sea Lines Shipping; President - Cyprus Union of Shipowners
- **Mr. Aristidis Pittas,**Chairman & CEO - Euroseas Ltd.

H.E. Marios Demetriades: “Shipping is an invaluable asset for Cyprus with significant political and economic advantages. Despite the international adverse economic conditions, the Cyprus shipping sector has managed to maintain its competitiveness and grow further.



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In addition, Cyprus maritime managed to maintain a high quality fleet through the implementation of all internationally applicable safety, security and environmental protection standards. Currently, Cyprus Shipping offers a wide range of fiscal and economic incentives, including competitive ship registration costs and annual tonnage taxes, ensuring the fleet's worldwide competitiveness.

On the logistics side, Cyprus fulfils all criteria to become a trade hub in the region, due to its strategic location. This particularly applies in relation to the latest developments in the energy sector in Eastern Mediterranean and the need of companies to be based out of a stable country in the region like Cyprus. In this respect, Cyprus has proceeded with the commercialization of its largest commercial port, Limassol, and has already planned for additional port infrastructure to satisfy future needs".

Mr. Costas Georghadjis Discussed with shipowners and shipmanagers why Cyprus can be the choice from where to operate their business. Comparisons to other maritime hubs and highlight Cyprus' main competitive advantages in terms of the overall infrastructure, the government interaction and the tax regime that governs shipping operations. The costs of operating from Cyprus discussed but also the quality of resources and services available in Cyprus. Highlighted what additional incentives/measures should be given/introduced to make Cyprus more attractive."

Mr. Polys Hajioannou, Chairman & CEO of NYSE listed Safe Bulklers and Vice President of the Cyprus Shipowners Union stated: "We are proud of Cyprus for its well-established banking and legal framework and its efficient state administration and taxation system which can attract investors world-wide. The safe multicultural environment, the infrastructure of the shipping cluster along with the high level of education and services can support any type of business. Sixty years after the departure of my father from Cyprus, I returned back in 2015 to a completely different country, to establish in Cyprus Safe Bulklers Management Ltd and to run a large part of our public and private fleet, efficiently, from the Shipping Center of Limassol. We, in Safe Bulklers are proud of our achievements in the last years despite the extremely adverse market conditions. We now own 38 modern bulk carriers, with average age 6.6 years, transporting dry-bulk cargoes, mainly grain, coal and iron ore for the world's largest consumers of marine dry-bulk transportation services and flying on 36 of them the Cyprus flag around the globe. In addition, another 13 modern bulk carriers, with average age of 3 years, owned by my immediate family, are all flying the Cyprus flag as well despite the Turkish embargo."

Mr. Andreas Hadjiyiannis, stated: "The Cyprus Union of Shipowners has been among the pioneers and lead supporters of this initiative to raise awareness of Cyprus as a business and investment destination to a wider audience. The caliber of the presenters and attendees is a testament to the interest that Cyprus can command. The Cyprus Union of Shipowners is committed to the further development and growth of the Cyprus Flag and to Cyprus attracting more business and investment to the wide range of opportunities that our country offers. "

2nd) PANEL DISCUSSION

Maritime Expertise and Infrastructure in Cyprus - Cyprus as an Operational Hub

Moderator: **Mr. Costas Georghadjis,** Audit Partner – Deloitte

Panelists:

- **Mr. Andreas Hadjipetrou,** Managing Director - Columbia Shipmanagement
- **Ms. Despina Panayiotou Theodosiou,** Managing Director - Tototheo Group

Mr. Andreas Hadjipetrou said: "Columbia has set foot in Cyprus since the 1970s and has grown to become one of the biggest and most reputable ship managers in the world and part of a large investment group involved in various other shipping activities such as ship owning, liner services, chartering as well as non-shipping investments in Cyprus and abroad. Columbia is headquartered in Limassol with offices in more than 15 countries. The growth of Columbia demonstrates our long term commitment towards the island and it proves that Cyprus can be a hub for international shipping businesses to grow. Similarly, more than 190 shipping related companies



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operate on the island and it is estimated that 20% of the global third - party ship management fleet is controlled from Cyprus employing around 4500 highly qualified personnel and 55000 seafarers. Historically the governments have been supportive to the maritime cluster and this has resulted to the innovative tonnage tax system and superb local expertise which, along with the excellent lead of H.E. President Anastasiades and his government towards a business pro legislation has resulted in a further expansion driven by additional incentives for companies to establish offices in Cyprus and enjoy a stable, competitive and welcoming environment" In his closing remark Mr. Hadjipetrou welcomed the expansion of the Cyprus Maritime cluster with additional Cypriot ship owners repatriating to Cyprus and re-confirmed the commitment of Columbia ship management and the Cyprus shipping chamber in general to expand the sector even further in close cooperation with the government and all stakeholders".

Ms. Despina Panayiotou Theodosiou said: "Cyprus offers the incentives to international businesses to operate and grow in a business-friendly environment with an attractive tax regime, an effective legal system, advanced infrastructure and well educated professionals. Cyprus has given our company plenty of opportunities and allowed us to grow from a regional company to one with a global reach, able to compete on an international level".

CYPRUS AS A BUSINESS & INVESTMENT DESTINATION

1st PANEL DISCUSSION

Why Cyprus - The International Investor Perspective

Moderator:

Mr. Kyri Loupis, Managing Director, Head of Energy and Infrastructure Team and Portfolio Manager, Goldman Sachs Asset Management

Panelists:

- **Mr. David Bonanno**, Managing Director - Third Point
- **Mr. Matthew Bonanno**, Partner & Co-Head of North American Credit – York Capital
- **Mr. Stephen Johnson**, Managing Director - Invesco Private Capital / WL Ross & Co.
- **Ms. Natasa Pilides**, Director General - Cyprus Investment Promotion Agency (CIPA)
- **Mr. Adam Steinberg**, Senior Vice President - Spectrum Gaming Capital; Advisor - Hard Rock

Mr. Kyri Loupis in his opening remarks he spoke about the increasing number of foreign investment in Cyprus, both private and public as well as greenfield projects, spanning sectors like financial services, real estate and hospitality. He commented that the panel represented both the quality as well as diversity of foreign investors in Cyprus, including some of the leading US hedge funds, private equity firms and development companies.

Mr. David Bonanno talked about the Cypriot economic recovery, attractive sectors and investment options and opportunities in real estate and natural gas. He also discussed all the progress made by Hellenic bank and other banks on the island addressing their NPLs and stabilizing liquidity. "Areas of interest are real estate, tourism, infrastructure development projects such as the ports and casino."

Mr. Matthew Bonanno said:

"- York has been one of largest investors in the Hellenic region over the last 5 years.

- Our investments have covered government bonds in Greece and Cyprus, investments in financial institutions, as well as infrastructure and real estate ventures
- Our most recent investment in Cyprus was in the rehabilitation of Aphrodite Hills, a resort and villa development venture in Paphos, Cyprus
- This was the first NPL transaction in Cyprus



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- we restructured the business with a view to create Long term value which not only maximised recoveries for existing stakeholders, but also invested capital to refurbish the resort and expand the resort
- We are currently looking at several new opportunities including providing new capital for Real Estate projects in Limassol. Advanced discussions on a project that we cannot discuss in more detail today due to confidentiality reasons
- We have spent a lot of time with Adam Steinberg and the principals of the new casino project as well, which we hope will be very successful and will further boost cyprus's tourism and growth prospects”.

Mr. Stephen Johnson mentioned : “At WL Ross, we led the majority of the international investors in contributing €1 billion of common equity to Bank of Cyprus in October 2014. The Greek debt write-off and subsequent bail-in were very difficult things for Cypriots, and were unprecedented in the Eurozone. But behind this exogenous shock we saw a people and an economy with meaningful resilience. Since our investment, Cyprus has continually outperformed on economic targets and has regained access to the markets. Going forward, with its well-designed legal system, there is a strong footing to help support businesses, to drive innovation and thus spur foreign direct investment.”

Ms. Natasa Pilides: “As the first point of contact and main facilitator of current and potential investors, Invest Cyprus understands the investor’s perspective”. Ms. Pilides provided some insights on the reasons why some of our clients have chosen to set up or expand their activities in Cyprus, as well as some of the initiatives and planned reforms which are expected to further improve the investment and business environment.

Mr. Adam Steinberg: “We represent the consortium developing the casino project in Cyprus. From our perspective, Cyprus is a great location for a casino with substantial travel infrastructure, including two international airports, non-stop flights to over 90 cities (combined population of 230 million people) and a modern highway system. Cyprus is a well-known travel destination with over 3 million tourists in 2016, up 20% from 2015. Other attributes of Cyprus that makes this an attractive development project include the lowest corporate tax rate in the EU and the economic rebound that allowed the country to exit from financial supervision ahead of schedule”.

2nd PANEL DISCUSSION

Why Cyprus - The Cypriot American Investor Perspective

Moderator: **Mr. Nicolas Nicolaou**, CFO – Mana Products, Inc.; President, Cyprus – US Chamber of Commerce

Panelists:

- **Mr. Nikos Mouyiaris**, Founder & CEO - Mana Products Inc.
- **Mr. John Televantos**, Partner - Arsenal Capital
- **Mr. Andreas Kramvis**, Operating Partner - AEA Investors
- **Mr. Constantine Iordanou**, Chairman of the Board - Arch Capital Group Ltd.

Mr. Nicolas Nicolaou said: “Cyprus is on its road to recovery from a very sizable financial crisis. The recovery is the result of a coordinated effort by the government to implement the necessary reforms required. Today Cyprus offers a very attractive proposition for international companies to set up their regional headquarters in Cyprus and leverage its geographical position, friendly corporate legal framework and highly educated talent pool.”

Mr. Nikos Mouyiaris: “Cyprus is a perfect place for investment. Highly educated with high technical skills the people of Cyprus can help foreign corporations thrive in that part of the world as well as Europe . With some other Cypriots we invested millions of dollars in biotechnology and other companies. People that like to invest they can do it individually or they can join our group for investments there. My company hired 4 brilliant young Cypriots' to work there for our IT team. We also would like to bring here few interns in Cosmetic Chemistry, industrial, mechanical and few others so we can train” .



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Mr. John Televantos: «As a Cypriot American investor, my hope is to find businesses in Cyprus that need both capital and experienced business advice to help them grow or globalize. There appears to be a number of developing businesses in Cyprus run by very competent entrepreneurs and business leaders that are constrained to grow or grow globally given the size of the Cyprus market. But some of the capabilities of these companies are world class in certain niches and deserve our support both financial and otherwise to help them grow».

Mr. Andreas Kramvis has concentrated in investing in high technology companies in Cyprus and shared his experiences during the meeting. He covered availability of world leading scientists/engineers, technical developments, infra-structure and market access.

Mr. Constantine Iordanou:

The case for establishing Financial service support and back office facilities in Cyprus

- I. Cyprus is talent rich with a great number of college graduates having degrees in accounting, mathematics, actuarial science and engineering
- II. As a member state of the EU and local laws based on British law, the Island provides a stable legal environment
- III. Thriving democracy with democratic elections provides a stable government
- IV. Work ethic of population is very high and very adaptable to world standards
- V. Labor cost is very attractive as compared to the US or mainland Europe and is competitive with other Asian and Eastern European base outsourcing alternatives

3rd PANEL DISCUSSION

Investing in Growth & Entrepreneurship - Investment Opportunities in SMEs

Moderator: **Mr. Takis Solomos**, Co-Founder - First Athens Corporate Finance

Panelists:

- **Dr. Stelios Himonas**, Permanent Secretary / General Director - Ministry of Energy, Commerce, Industry & Tourism
- **Ms. Michelle Small**, Director, Head of Representative Office – North America – EBRD
- **Mr. Dov Ehrman**, Chairman, Founder & CEO – PointRF Systems PLC
- **Mr. Evangelos A. Antonaros**, Senior Advisor for Greece and Cyprus – European Investment Bank

Mr. Takis Solomos, underlined that Small and Medium Size Enterprises (SMEs) are the backbone of the Cypriot economy as is the case in most economies around the world. There are more than 61,000 SME companies operating currently, accounting for more than 99.9% of all companies in operation in the country. In such a business environment is essential that SMEs are provided with access to finance and economic development incentives in order they keep growing and remain competitive, driving the growth of the Cypriot economy. The Cypriot success story is definitely also attributable to the favorable and supportive entrepreneurial environment that exists in the country and also to the ongoing access to capital provided to the SME sector by the initiatives of the local and international financial institutions.

Dr. Stelios Himonas stressed out the effort made by the Government to improve and further develop a favorable and supportive entrepreneurial and innovation ecosystem in Cyprus. Cyprus government is building on its competitive advantages – the highly skilled work force and the responsive business environment to promote a series of reforms emphasizing on horizontal areas such as smart regulation, process re-engineering, entrepreneurship, enhancement of SME competitiveness and e-government. The Cypriot Government, among others, has already launched a "Cyprus Startup Visa" programme and at the same time is providing various tax incentives for investments in innovative SMEs and Start-ups.



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Ms. Michelle Small: “Cyprus became a recipient country of the EBRD in 2014. The EBRD has been asked to focus on three key areas: Strengthening the financial sector to build up resilience and improve governance; supporting the authorities’ privatisation programme; and assisting corporate restructuring and providing finance to small and medium-sized enterprises. Since the start of operations, the EBRD has built a healthy portfolio exceeding Euro 200 million. All our investments are in the private sector without any recourse to the government either directly or indirectly. EBRD’s Annual Meeting and Business Forum will be held in Nicosia, Cyprus, on 9-11 May 2017”.

Mr. Dov Ehrman: “At PointRF we specialize in creating high tech Healthcare Information Solutions for the Ageing population. We help increase the quality of care in the Long Term Post Acute market. Our products reduce rehospitalizations, increase staff effectiveness and bring family members closer to their loved ones by keeping them well informed. We have strategically chosen to place our Head Office and management in the Republic of Cyprus. Cyprus gives us the best opportunities for technology talent recruitment, the most efficient Tax structure benefiting our Investors and an open bridge to Europe for our future plans.”

Mr. Evangelos A. Antonaros: “The European Investment Bank, the EU Bank, has been actively supporting the economy of the Republic of Cyprus for over 30 years, long before Cyprus became a full member of the European Union. The overall exposure of the EIB to Cyprus amounts to EUR 2.6 bn, some 15% of the country’s GDP – in percentage terms the highest than in any other European country. Since the outbreak of the crisis five years ago, contracts amounting to EUR 1.36 bn have been signed to support both public and private sector operations. Moreover, EIB has intensified efforts to boost its lending activity in the corporate sector by reviewing opportunities, especially in the area of SMEs.”

CONFERENCE MATERIAL

The 65 page Forum Journal can be accessed on line <http://forums.capitallink.com/cyprus/2017>. It was distributed to forum participants, investment banks and supporting organizations, and to the Cypriot Consulates located throughout the U.S. as well as to a wider investor audience outside the event. The Journal contains articles from top government officials in Cyprus and the U.S.

FORUM VIDEOS, PRESENTATIONS & WEBCASTS, PHOTOS

All videos can be accessed on the Forum website: <http://forums.capitallink.com/cyprus/2017>. There is a full archive of the presentations and audio files of the panel discussions and presentations. Also, there are video interviews with major event participants and presenters.

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Capital Link – New York – London – Athens – Oslo – Shanghai – Limassol

230 Park Avenue • Suite 1536 • New York • New York 10169, USA • Tel.: +1 212 661 7566 • Fax: +1 212 661 7526

40, Agiou Konstantinou Str, Suite A5, 151-24 Athens, Greece • Tel. +30 210 6109 800 • Fax +30 210 6109 801

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PERIPHERAL EVENTS

SPECIAL EVENT AT THE NEW YORK STOCK EXCHANGE

Within the context of the “Capital Link Invest in Cyprus Forum”, Safe Bulkers, which is listed on NYSE (NYSE: SB), organized a special ceremony at the New York Stock Exchange in honor of Cyprus. Mr. Polys Hajioannou, Chairman of the Board of Directors and Chief Executive Officer of SAFE BULKERS, INC with the President of Republic of Cyprus H.E. Nicos Anastasiades, accompanied by the Ministers of the Cypriot Government, Mr. Marios Demetriades, Mr. Harris Georgiades, Mr. Yiorgos Lakkotrypis and other officials, rang the “Closing Bell” on Tuesday March 21, 2017.

There is a unique and powerful symbolism delivering the message of Cyprus as a Business and Investment Destination through the Ringing of the Closing Bell at the New York Stock Exchange, the largest Stock Exchange in the world, a ceremony that is viewed by millions worldwide.

The New York Stock Exchange (NYSE) flew the Cypriot flag together with the US and Safe Bulkers flags, on Wall Street and issued special commemorative medals for the occasion.

Welcome remarks were given by Mr. John Tuttle, NYSE Global Head of Listings.

The Closing Bell ceremony was attended by : **Mr. Polys Hajioannou**, CEO - Safe Bulkers; Vice President - Cyprus Union of Shipowners, **H.E. Nicos Anastasiades**, President - Republic of Cyprus, **Mr. Marios Demetriades**, Minister of Transport, Communication and Works, **Mr. Harris Georgiades**, Minister of Finance, **Mr. Yiorgos Lakkotrypis**, Minister of Energy, Commerce, Industry and Tourism, **H.E. Mr. Leonidas Pantelides** - Ambassador of Cyprus to US, **Mr. Vassilios Philippou** - Consul General of Cyprus in New York, **Mr. Nikos Christodoulides** - Government Spokesman – Republic of Cyprus, **Mr. Loukas Barmparis** President - Safe Bulkers, **Mr. Konstantinos Adamopoulos** CFO – Safe Bulkers, **Mr. Christos Megalou** Director – Safe Bulkers, **Mr. Nicolas Bornozis**, President-Capital Link, the spouse and the daughter of Mr. Polys Hajioannou and other dignitaries.

The event was broadcasted live on major news stations in the United States and abroad to an audience of millions of viewers worldwide. More than 150 million people watch the NYSE Bell Ceremonies.

CITI'S SPEAKER'S DINNER RECEPTION

On the occasion of the forum “Capital Link Invest in Cyprus”, Mr. Emilios Kyriacou, Citi's Country Officer in Greece and Cyprus, hosted a Speakers' Dinner Reception in honor of the Cypriot delegation and the speakers of the forum at Citi's Executive Conference Center on March 21st, 2017.



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Citi, with over 200 years of experience in the international markets and presence in more than 100 countries, has been helping its clients to address world's toughest challenges and equally importantly to embrace its greatest opportunities. Within the same context, with over 50 years of uninterrupted presence in Greece and Cyprus, Citi has been contributing to the successes of its large corporate and public sector clients.

For further information, please contact:

NEW YORK // Mrs. Olga Bornozi & Mrs. Eleni Bej

Tel. +1 212 661 75 66 - Email: ContactNY@capitallink.com

ATHENS // Mrs. Maira Kitova

Tel: +30 210 610 9800 - Email: marketing@capitallink.com

For more details and extensive information, please visit: <http://forums.capitallink.com/cyprus/2017/index.html>

The CAPITAL LINK website: www.capitallink.com

The CAPITAL LINK FORUM website: www.capitallinkforum.com

ORGANIZERS

Capital Link is an Advisory, Investor Relations and Financial Communications firm. Capital Link is known for the organization of large scale high quality maritime and investor forums in key industry centers, such as New York, London, Athens and Shanghai, and as of 2017 in Limassol. Capital Link organizes fourteen conferences annually, of which seven are focused on the maritime sector. Capital Link's events draw the elite of the financial, investment and maritime communities and provide a unique combination of superior informational content, marketing and networking opportunities. Capital Link's global marketing platform enhances the visibility and reach of these events during the year on a global scale that lasts well beyond the date on which each event is held, becoming a continuous reference point for market participants.