



HELLENIC REPUBLIC  
Ministry of Finance

# Hellenic State-Owned Enterprises Reform, Value Creation and Privatisation Strategy

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12<sup>th</sup> NY Forum,  
December 2, 2010

# Agenda

## I. State-Owned Enterprises Reform & Value Creation

### Our legacy

- A wide industry portfolio
- Poor past financial performance

### Where are we heading at

- Implementing an ambitious financial improvement plan
- Pursuing leverage from strategic partners

### Our founding principles

- Solid value base
- Business approach

### How we do it in practice

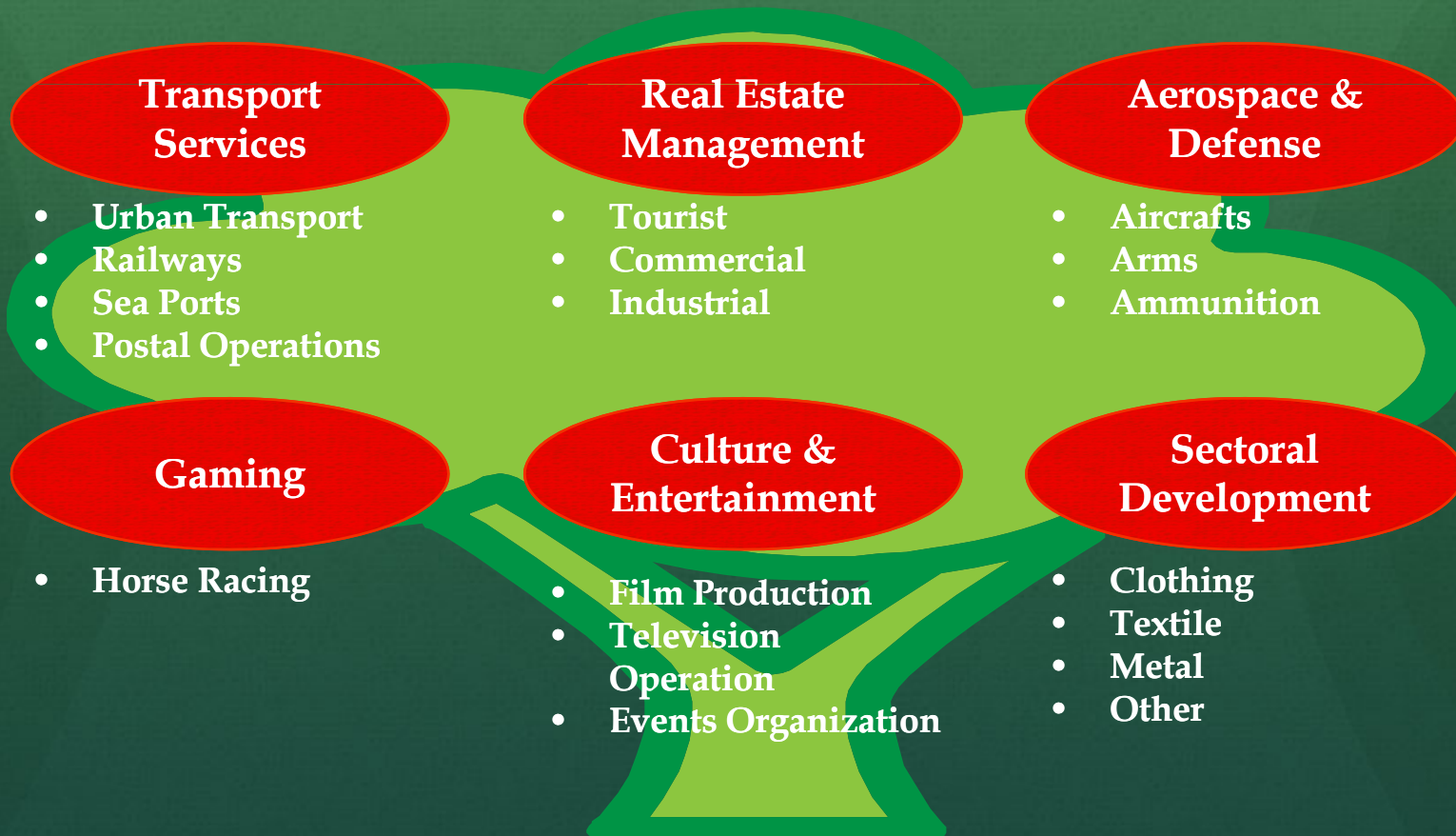
- 2 concrete examples



# Our Legacy

## A wide industry portfolio

- More than 50 state-owned enterprises (DEKO) span across a wide scope of economy sectors, indicatively:



# Our Legacy

poor past financial performance


- Due to structural inefficiencies and weak strategic choices, most of these organizations have been / are operating in the red

- 1.8 billion €

aggregate financial  
result (deficit)  
in 2010

# Where Are We Heading At?

pursuing leverage from strategic partners

- Financial improvement alone is not an option
  - We are determined to bring in suitable expertise to help these organizations improve and grow further
  - Potential forms of such leverage:
    - Acquisition
    - Strategic partnering
- 
- Expected improvement from such leverage:
    - Bring organizations closer to the market
    - Increase the competitiveness of the organizations
    - At the end, increase value for the benefit of all stakeholders



# Our Founding Principles

a solid value base

- A solid value base is important to achieve desired results



# Our Founding Principles

a business approach

- Business approach is also a prerequisite



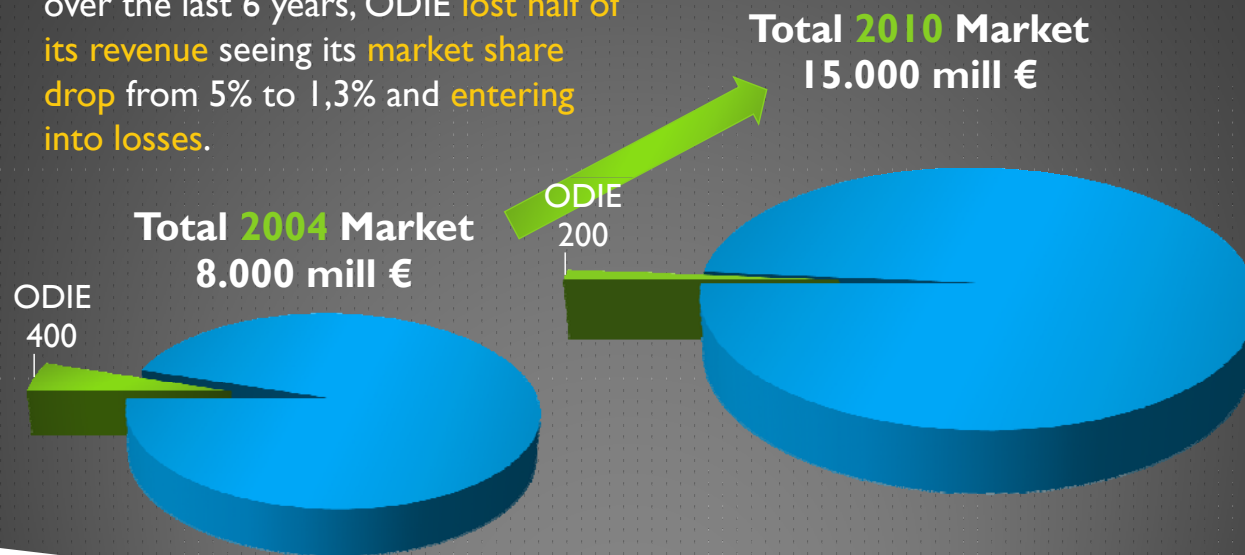


# How we do it in practice

example 1: Horse Racing Organisation (ODIE)

## THE SITUATION SO FAR

While the market grew significantly over the last 6 years, ODIE **lost half of its revenue** seeing its **market share drop** from 5% to 1,3% and **entering into losses**.





# How we do it in practice

example 1: Horse Racing Organisation (ODIE)

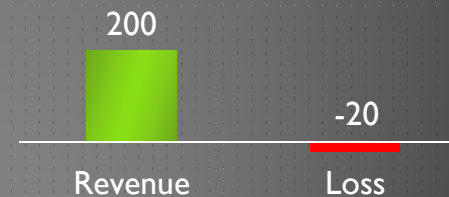
## ODIE TODAY (2010)

### Current Situation

- ▶ Betting Revenue:  
200 mill. €
- ▶ Payout:  
80%
- ▶ Gaming population:  
20.000 players
- ▶ Sales Network:  
400 betting agencies
- ▶ Established in October 2010:  
cooperation with PMU

### Financial Situation (mill €)

Last year of  
“inertia”



# How we do it in practice

example 1: Horse Racing Organisation (ODIE)

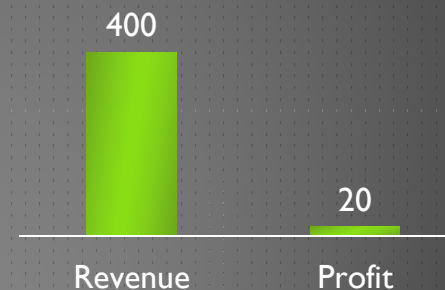
## IMMEDIATE PLANS (2011)

### Operational Measures

- ▶ Increase number of games
- ▶ Improve product mix  
50% Greek – 50% French Product
- ▶ Rationalize Payout to 70%
- ▶ Expand Sales Network to  
1.000 betting agencies
- ▶ Implement targeted marketing plan
- ▶ Broadcast through national TV
- ▶ Strengthen communication plan
- ▶ Optimize personnel cost
- ▶ Rationalize other expenses

### Financial Situation (mill €)

Revenue is reinstated  
back to already achieved  
2004 levels





# How we do it in practice

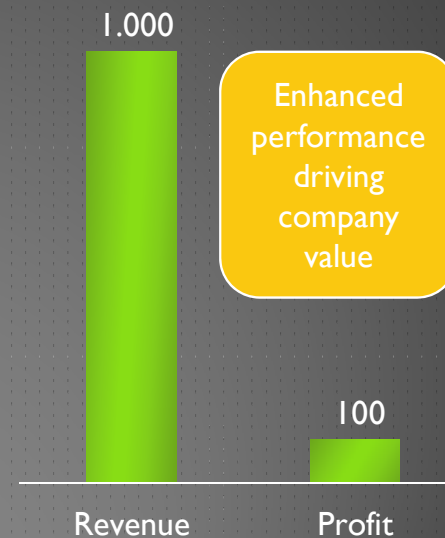
example 1: Horse Racing Organisation (ODIE)

## MEDIUM TERM OUTLOOK (2013)

Strategic Framework



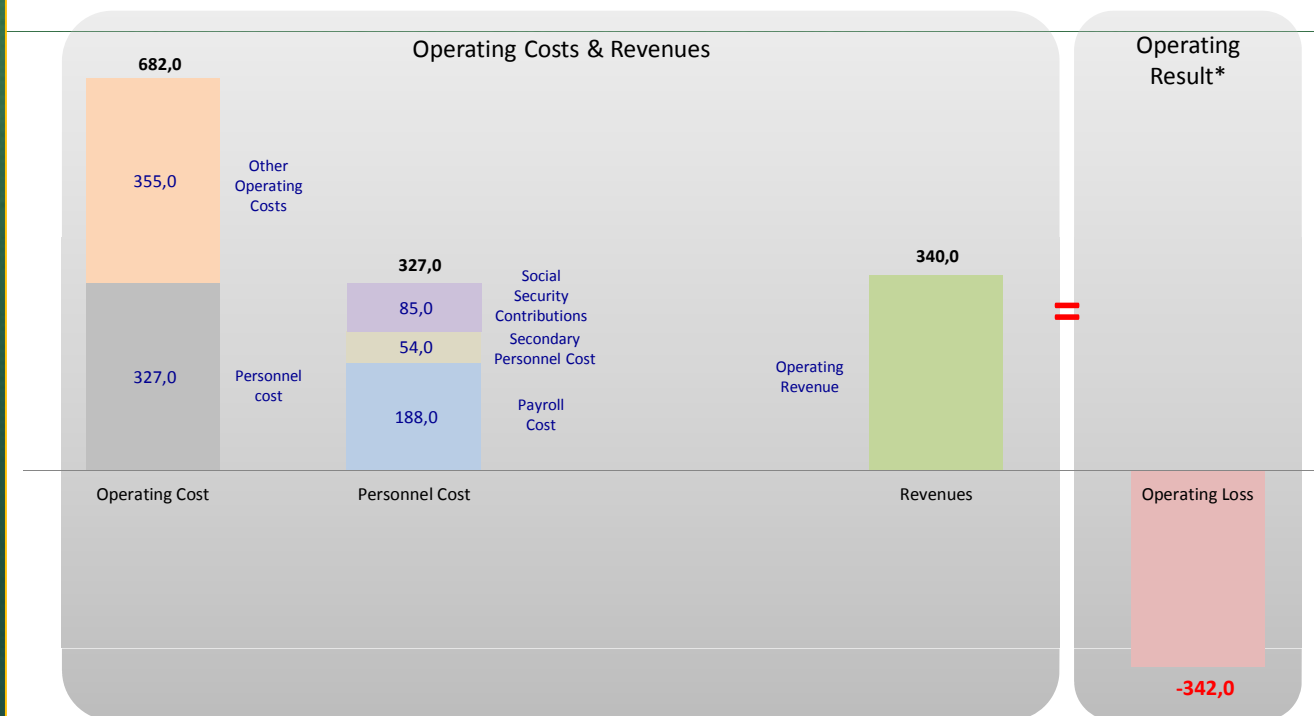
Financial Situation (mill €)



# How we do it in practice

## example 2: Greek Railways (OSE)

**OSE: Where we are today?**  
(2010 figures in mill. €)



\* Excluding Depreciation Expense



# How we do it in practice

## example 2: Greek Railways (OSE)

How do we achieve this from 2010 to 2011?  
(all figures in mill. €)

