



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

The Privatization Program *and its contribution to the restarting of the Greek Economy*

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The Privatization Program



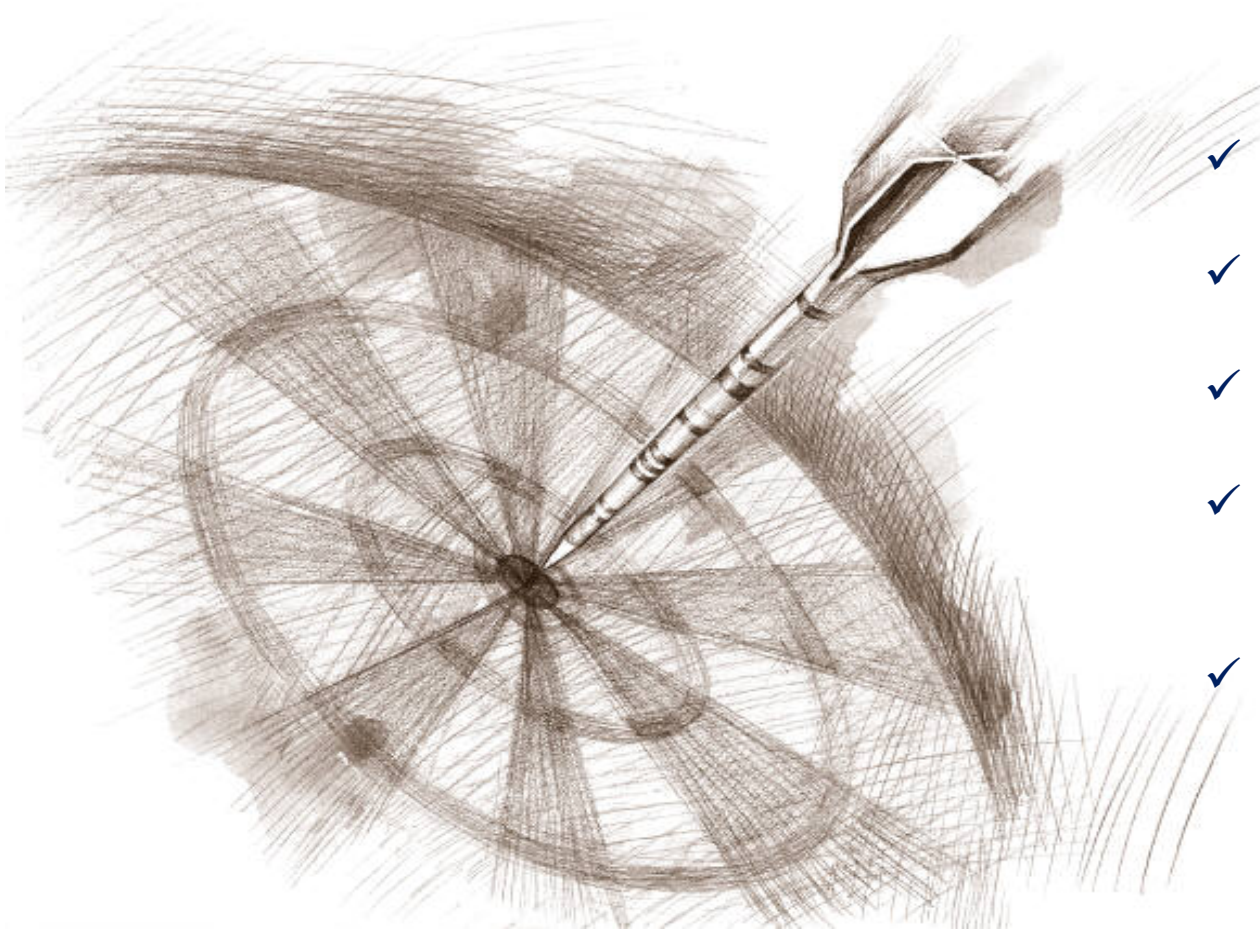
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- ✓ Agreed with Greece's creditors and enshrined by Law
- ✓ Based on a clear business context
- ✓ Aims to raise €11,1 bn by 2016 and €25,6 bn by 2020
- ✓ A major initiative to attract direct investments from the private sector in key sectors of the economy
- ✓ Aims to transform the development model of the economy and regain the country's credibility

Main objectives of the privatization program



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- ✓ Debt Repayment
- ✓ Competition
- ✓ Investment attraction
- ✓ Creation of new job opportunities
- ✓ Creation of liberalized and functional markets

Restarting Greek Economy



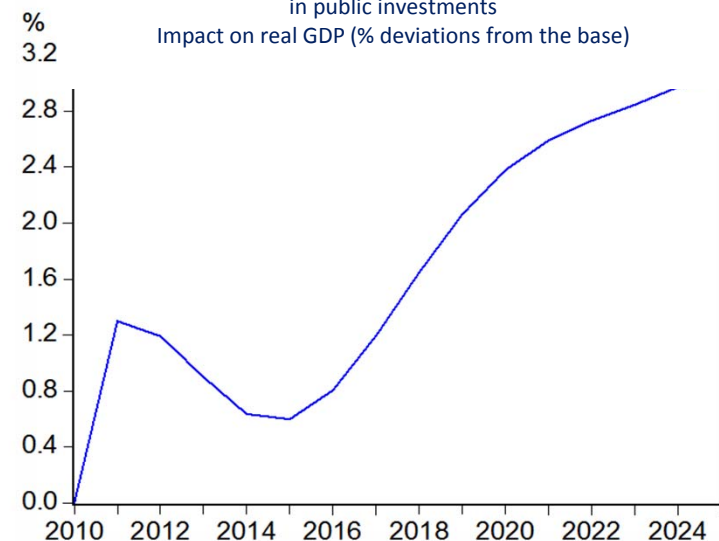
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According to preliminary estimates by IOBE*, the privatization program will increase:

- investments by €60 billion (with the average investment multiplier amounting around 2)
- GDP by up to 1% per year during the program's life
- employment opportunities by 50,000 net new job positions
- direct tax revenues by €3 billion (1.5% of GDP) per year

Investment multiplier

Permanent increasing tendency of 1% of GDP
in public investments
Impact on real GDP (% deviations from the base)



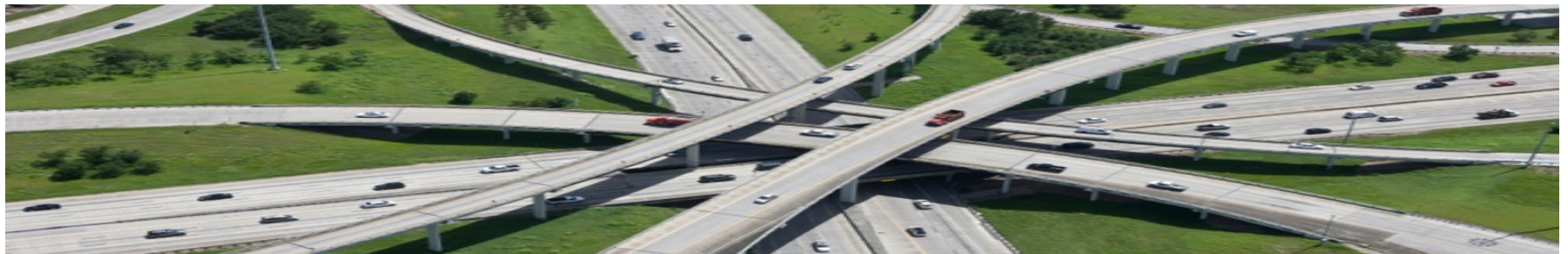
Source: Foundation for Economic and Industrial Research

*Foundation for Economic and Industrial Research

Infrastructure Portfolio



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- ✓ Extensive portfolio of prime infrastructure assets, which encompasses the following:
 - 12 major commercial ports (including the ports of Piraeus, Thessaloniki, Igoumenitsa, etc.)
 - The 50 most significant small ports and marinas
 - All the airports of the country (including the Athens International Airport)
 - Motorways
 - Water Distribution in Athens and Thessaloniki
 - National Train Organisation

Corporate Portfolio



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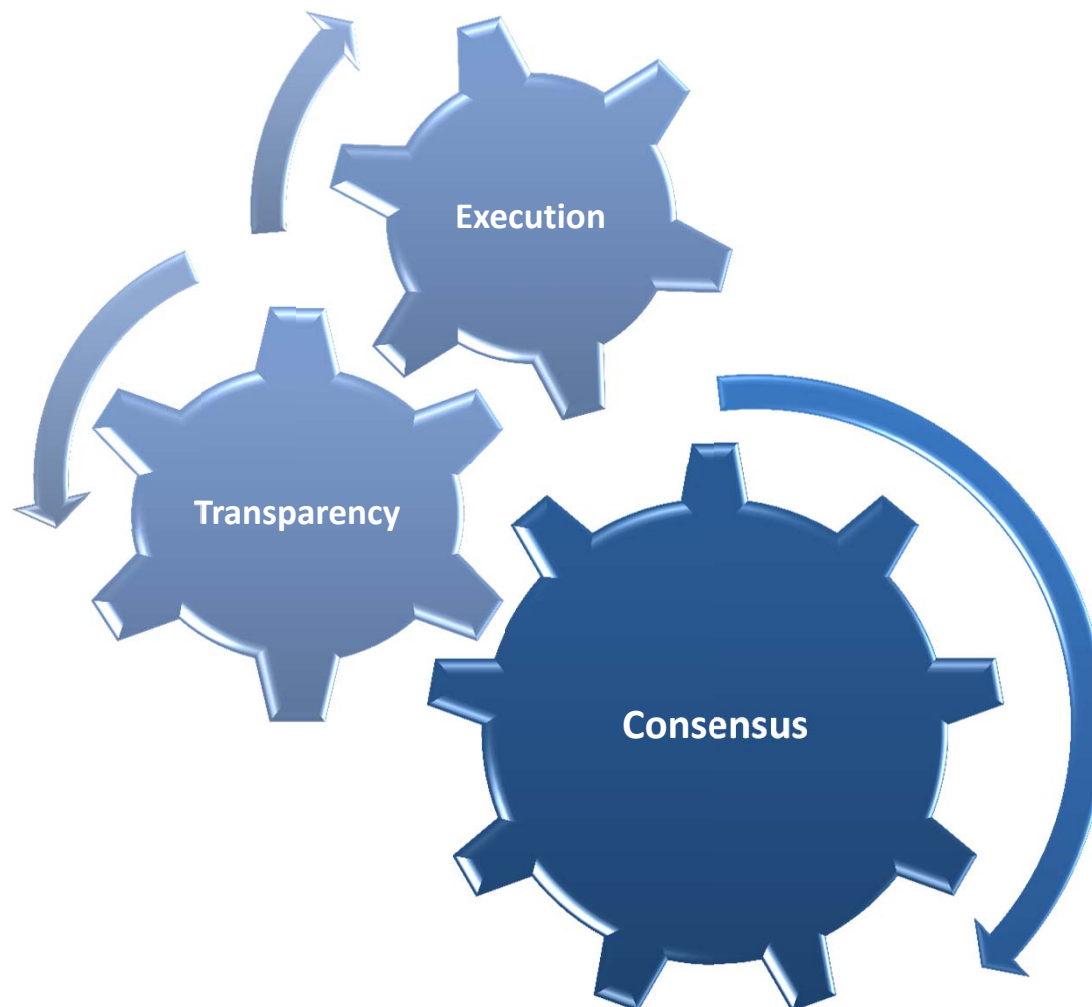
- ✓ Extensive portfolio of high quality corporates in the sectors of:
 - Gaming (OPAP – the largest gaming operator, State Lotteries)
 - Energy (Electricity, Natural Gas, Petroleum Refining and Trading)
 - Natural Resources (Ferronickel Production)
 - Defense Industries
 - Banking (shares in Greek banks acquired through recapitalisation but not redeemed)



- ✓ More than 70,000 public properties including:
 - Hellinikon (the largest urban coastal area in Attica, twice the size of Central Park)
 - Other major properties suitable for:
 - tourism development
 - commercial facilities
 - golf courses
 - hotels
 - thermal spa

Outline Privatisation Strategy

Our three principles



Outline Privatisation Strategy

Consensus

- Harmonization with governmental policies and strategies
- Formation of a clear strategic direction
- In-depth analysis of the effects on all parties involved:
 - National economy
 - Local communities
 - Workforce
- Communication with key parties involved and presentation of the benefits from the assets' development

Outline Privatisation Strategy

Transparency

- Internationally accepted tender procedures which ensure transparency and equal treatment towards all parties involved, maximizing competition
- Objective selection criterion: the highest economic offer
- Wide publicity in international and domestic media:
 - of all calls for tenders
 - of all press releases after each meeting of the BoD, regarding the decisions
 - continuous update concerning the time evolution of the projects
- Monitoring of the procedure by the Council of Experts and submission of opinions before the tender's award
- Evaluation of the asset by an independent valuer at the time of privatization
- Full control of the process followed in every privatization by the Court of Auditors before the signing of the contract

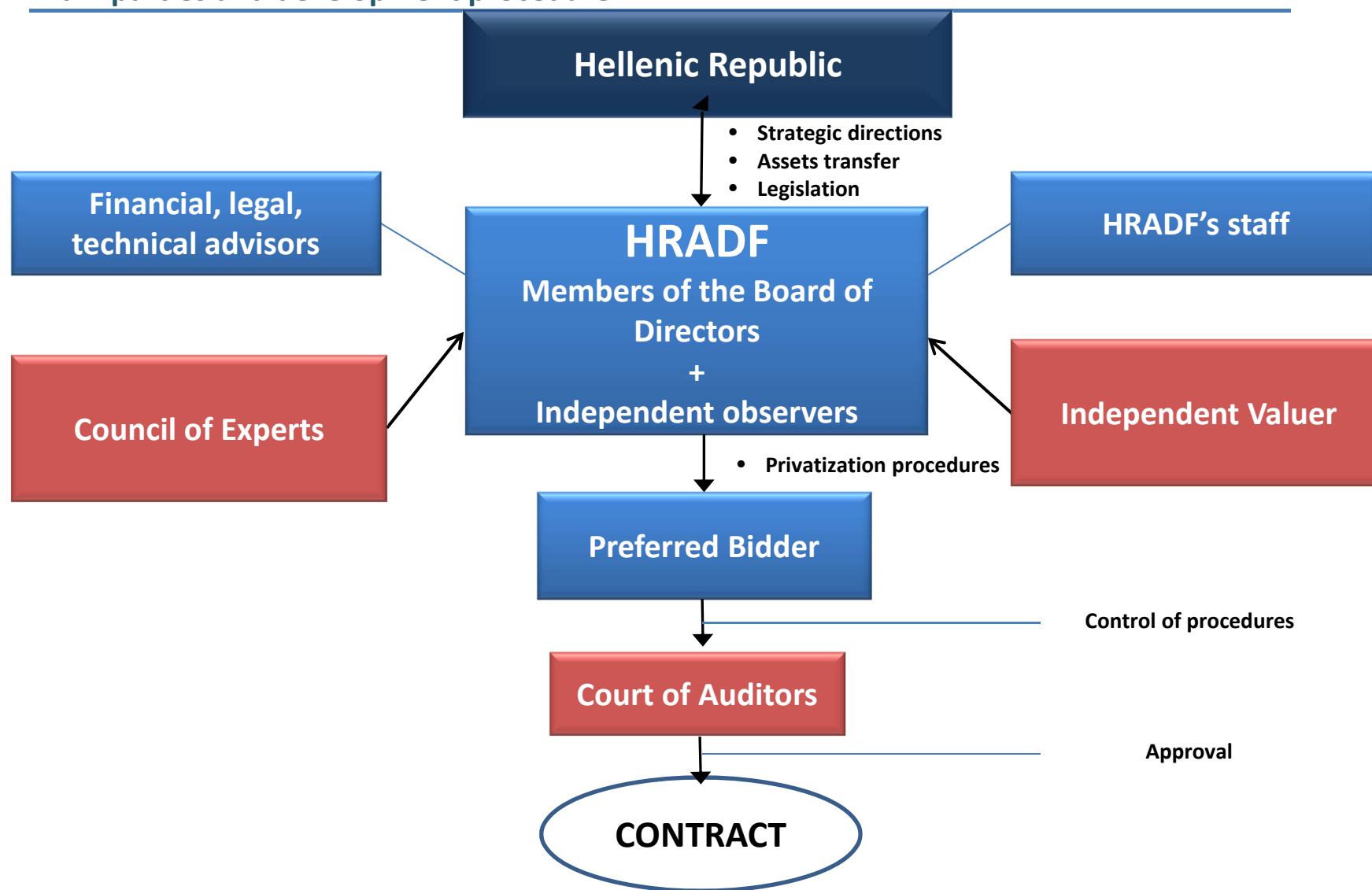
Outline Privatisation Strategy

Execution

- Proper and quick implementation of the strategy and the decisions
- Determination and resolution of key issues impacting on privatisation prior to launching the tender
- Focus on the end result, which has two dimensions
 - Short implementation time
 - Optimum economic benefit
- Control systems and procedures ensuring the early warning for every divergence from the goals pursued

Outline Privatisation Strategy

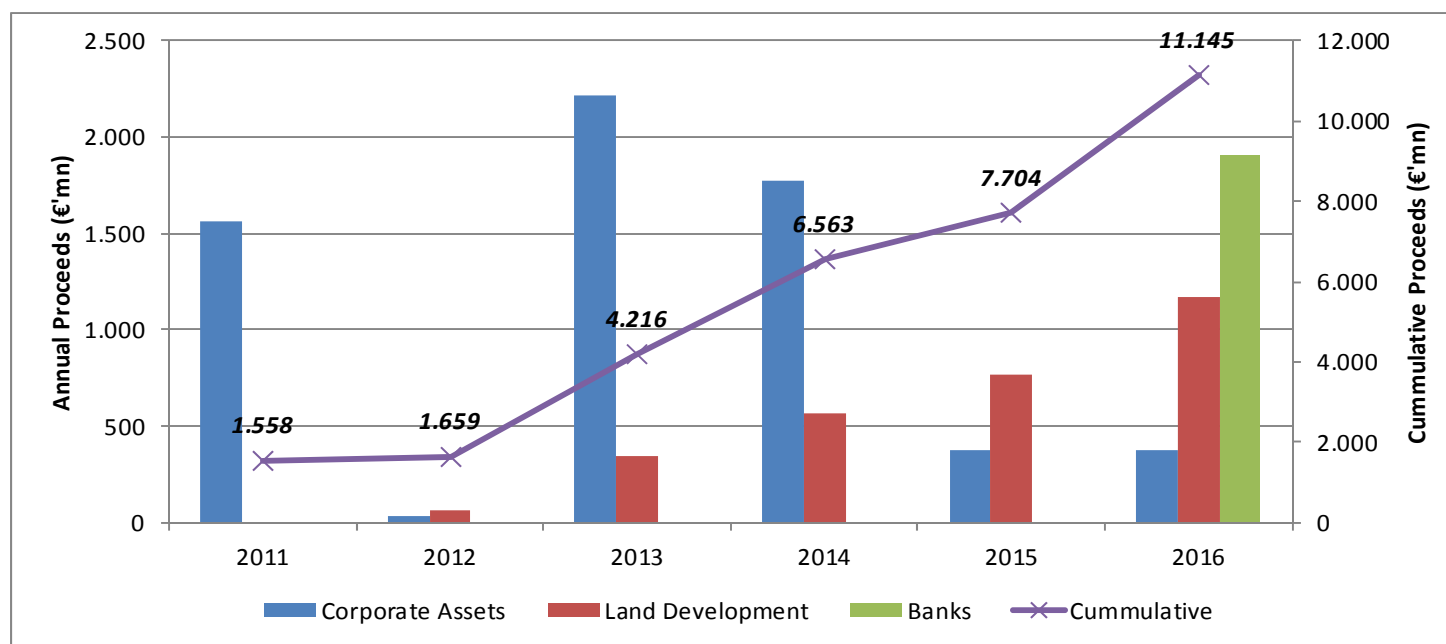
Main parties and development procedure



Privatisation Programme Overview

Greece: Privatization Plan - 2011-2016

	2011	2012	2013	2014	2015	2016	Total (6)
Corporate Assets	1.558	32	2.215	1.777	374	374	6.330
Land Development	0	69	342	570	767	1.167	2.915
Banks	0	0	0	0	0	1.900	1.900
Total Proceeds	1.558	101	2.557	2.347	1.141	3.441	11.145
Cummulative	1.558	1.659	4.216	6.563	7.704	11.145	



Privatisation Programme Overview - Timeline

		2011		2012				2013				2014			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CORPORATES	Public Gas (DEPA/DESFA)														
	Thessaloniki Water (EYATH)														
	Football Prognostics Organization (OPAP)														
	Horserace Betting Organization (ODIE)														
	Hellenic Petroleum (HELPE)														
	Athens Water (EYDAP)														
	Hellenic Post (ELTA)														
	Mining and Metallurgical Company (LARCO)														
	Defense Industries (EAS, ELVO)														
	Athens International Airport (AIA)														
	Public Power Corporation (PPC)														
	Railways (Trainose)														
CONCESSIONS	State Lottery														
	Egnatia Odos														
	Small ports and marinas														
	Regional airports														
	Large regional ports														
	South Kavala Gas Storage														
	Digital Dividend														
LAND DEVELOPMENT	Hellinikon														
	IBC														
	Cassiopi														
	Real Estate lot 1 (Afantou)														
	Sale/repo 28 buildings														
	Astir Vouliagmenis														
	Real Estate lot 2														
	Real Estate lot 3														

Preparation

Tender

Audits & Approvals

Program Status



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Projects in progress

- ☐ Sale of State Lotteries
- ☐ Sale of DEPA/DESFA (natural gas supply, transportation, distribution)
- ☐ Sale of 33% stake in OPAP (gaming operator)
- ☐ Development of Kassiopi area in Corfu
- ☐ Development of Hellinikon
- ☐ Development of Afantou area in Rhodes

Preferred Bidder selected by

- ✓ Q4/2012
- ✓ Q1/2013
- ✓ Q1/2013
- ✓ Q2/2013
- ✓ Q3/2013
- ✓ Q3/2013

A concerted effort of restructuring the Economy

- A large number of Government actions needs to be accomplished in order that:
 - Privatisations can proceed successfully
 - The overall economy can become more open and competitive
- More than 80 major, critical Government Pending Actions (GPAs) were identified in August 2012
 - Accumulated since several months
 - Encompassing structural matters such as:
 - Establishment of regulatory authorities
 - Abolishment of minimum state participation
 - New zoning and town planning legislations
- Through a concerted effort between the State and the Fund, about half have been finalised; by the end of the year more than 75% will be accomplished
 - Fully in line with the Privatisation Program

Targeting Investors

HRADF is targeting investors from all around the globe:

- with long time horizons
- with strategic commitment
- who are convinced that Greece can provide the extra return

What the Fund offers:

- friendly approach and truly excellent assets
- well defined and market orientated privatization concepts characterized by:
 - transparent procedures
 - speed of execution
 - legal clarity



Conclusions

- The largest committed investment program in the world
- Structured in an absolute business context
- A concerted effort between the Government and the Fund to implement all the necessary restructuring initiatives in a focused manner
- Greek economy has seen the worst, as:
 - GDP has been shrinking by 30%, for the last six years; Greek assets trade at much lower values than their real ones
 - Labor costs shrunk by at least 25%
- The Privatisation Program is now at the point of full deployment
- Within the next two years, all the infrastructure and corporate assets, as well as the most important real estate ones, will be privatised
 - Appropriate time for international investors to consider investing in Greece



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Ελληνικά



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Putting the **Greek** economy back in motion

THE FUND PRIVATISATIONS IN PROGRESS ROLLING AHEAD (SHORT TERM) ROLLING AHEAD (LONG TERM) COMPLETED PORTFOLIO NEWS LIBRARY PROCUREMENT



The Fund's Mission

The sole mission of the Hellenic Republic Asset Development Fund's (HRA DF) is to maximize the value to the Hellenic Republic from the development and/or sale of assets.

[Read more](#)

Latest Updates

02-03-2012
Press Release: HRA DF launches International Broadcasting Center (IBC) tender
The Hellenic Republic Asset Development Fund launches the international tender...

01-03-2012
Clarifications & Responses (RFP: Preparation of survey layout for the site at Hellinikon)
Clarifications and responses regarding the invitation to submit proposals to draft...

29-02-2012
Invitation to submit an expression of interest for the sale of Public Gas Corporation S.A. (DEPA) and its subsidiary, Hellenic Gas Transmission System Operator S.A. (DESEA)

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Public Gas Corporation

The Hellenic Asset Development Fund announces the launch of the tender process for the sale of Public Gas Corporation S.A. (DEPA) and its subsidiary, Hellenic Gas Transmission System Operator S.A. (DESEA)

Invitation to submit an expression of interest

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Land Development



Hellenic Republic Asset Development Fund SA has launched a very ambitious project for the exploitation of private properties of the public sector, aiming to receive about € 25 billion. The scope of work encompasses more than 70,000 properties of the public sector that are currently managed/owned by

Infrastructure



The Greek government has a rich portfolio of infrastructure projects available for utilization, leasing, and/or sale. These assets will be gradually transferred to the Hellenic Republic Asset Development Fund and interested investors will be notified via calls for tender and calls for expression of interest.

Corporate



The HRA DF envisions to sell, by 2014, virtually all the corporate monopolies, or virtual monopolies of the Greek state. Only critical infrastructure networks will remain under public control. Our portfolio is rich with highly profitable "national champions", modern casinos, gaming and lottery firms, banks and other

The End

Thank you for your attention