

GREEK DAILY BRIEF

Thursday Feb. 10, 2011

Statistics

Athens Stock Exchange

MCap(€bn)	61.8	Shares	▲ 128
Turnover (€mn / mn shares)	164.1 / 57.5		— 114
Blocks (€mn / mn shares)	8.3 / 1.67		▼ 46

Indices	09.02.11	(%) 1day	(%) 30day	(%) Ytd
ASE General	1,690.58	1.24	24.80	19.57
FTSE 20	793.59	1.58	27.07	19.68
FTSE 40	1,721.10	2.09	22.52	14.85
FTSE 80	310.17	2.98	31.09	21.92
FTSE International	2,088.78	1.63	26.62	19.19
Banks	1,504.83	1.51	34.58	20.29
Telecoms	2,229.58	0.00	18.25	32.14
Travel & Leisure	2,731.46	2.66	24.72	21.00
Construction	2,502.14	1.47	13.25	5.10
ETF Alpha FTSE 20 Idx	7.98	2.44	27.27	18.57
DAX 30	7,320.90	-0.03	6.76	5.88
CAC 40	4,090.74	-0.43	7.59	7.52
FTSE 100	6,052.29	-0.64	1.61	2.58
Dow Jones	12,239.89	0.06	5.18	5.72
Nasdaq	2,789.07	-0.29	3.00	5.13
S&P 500	1,320.88	-0.28	4.03	5.03
Nikkei 225	10,605.65	-0.11	0.61	3.68
Hong Kong (HSI)	22,886.15	-1.20	-2.72	-0.65
Russia (RTS)	1,895.76	-0.24	7.09	7.09
Turkey (ISE 100)	65,569.61	0.48	-3.40	-0.66
Romania (Bucharest)	5,751.26	0.38	2.22	9.16
Bulgaria (Sofia)	421.85	1.13	16.62	16.42
Cyprus	1,265.09	3.12	31.93	19.89
Commodities				
Brent ICE (\$/bbl)	101.84	0.02	6.65	7.57
WTI NYM (\$/bbl)	86.86	0.17	-4.11	-5.81
Gold CMX (\$/troy oab.)	1,362.30	-0.23	-1.00	-4.31
Aluminum LME (\$/mt)	2,545.00	-0.78	1.07	3.04
Copper LME (\$/mt)	9,925.00	0.64	5.42	3.39
Carbon Fut. (€/mt)	14.68	0.00	3.09	3.60
Currencies				
EUR/USD	1.3679	0.48	5.97	2.23
USD/JPY	82.66	-0.08	0.64	-1.85
EUR/GBP	0.851	-2.13	-2.13	0.78
Rates				
Euribor 3m (%)	-	1.09		
10Yr Bond (GR)	70.67	11.63		
10Yr Bund (GE)	104.54	3.09		
10Yr Bund (US)	98.77	3.30		

ASE Ind. Fut.	09.02.11	(%) day	Prem/Disc % / bps	Volume	Open Interest	Days to Expiry
FT20 March	793.87	2.23	0.04 / +0	6,897	33,923	36
FT20 June	795.59	2.23	0.25 / +2	0	0	127

Greek Banks	09.02.11	(%) 1 day	(%) 1 month	(%) Ytd
National Bank	7.76	0.8	37.6	28.3
EFG Eurobank	4.76	2.1	46.5	26.9
Alpha Bank	4.80	3.0	45.5	26.3
Piraeus Bank	1.64	1.2	8.6	-15.2
Bank of Cyprus	3.42	0.6	50.7	32.6
Marfin Popular Bank	1.13	3.7	10.8	2.7
ATEbank	0.79	-1.3	21.5	6.8
Emporiki Bank	1.62	-1.2	8.0	3.8
Hellenic PostBank	3.38	3.4	35.2	15.4
Bank of Greece	35.40	0.2	26.7	22.3
Egnatia Bank	0.68	0.0	4.6	7.9
Geniki Bank	2.14	1.4	15.7	0.9
Bank of Attica	1.09	2.8	34.6	16.0
Proton Bank	0.96	-3.0	54.8	39.1

FTASE 20				
National Bank	7.76	0.8	37.6	28.3
OTE	8.10	0.0	18.2	32.1
Coca Cola HBC	21.40	-1.2	7.0	10.5
EFG Eurobank	4.76	2.1	46.5	26.9
Alpha Bank	4.80	3.0	45.5	26.3
OPAP	15.80	2.5	24.6	22.1
Piraeus Bank	1.64	1.2	8.6	-15.2
PPC	12.34	4.0	19.2	14.9
Bank of Cyprus	3.42	0.6	50.7	32.6
Marfin Pop. Bank	1.13	3.7	10.8	2.7
MIG	0.90	20.0	50.0	28.6
ATEbank	0.79	-1.3	21.5	6.8
Hellenic Petroleum	7.53	0.0	34.5	28.5
Titan Cement	15.77	0.5	1.7	-4.0
Jumbo	5.50	1.9	13.6	11.3
Hellenic Technodomiki	4.08	1.5	36.0	21.8
Hellenic PostBank	3.38	3.4	35.2	15.4
Motor Oil	9.40	0.8	27.0	25.3
Viohalco	4.60	-1.1	35.3	13.6
Mytilineos	5.76	4.9	38.1	30.3

* ranked by Market Cap.

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

Source: Bloomberg

Market Comment

The Greek market rose 1.24% higher with select major large caps (MIG on an impressive +20%) over-performing. Banks gained 1.51%. Total turnover was strengthened to €164mn. European markets closed lower on Wednesday, with investors extracting some profit back from the recent equity rally. US stocks ended their sessions in a mixed mode, with technology taking the highest hit. Nevertheless, high capitalization titles of the DJIA managed to return marginal positive at close, as Federal Reserve chief Ben Bernanke reiterated his optimism about the U.S. In other news, Deutsche Boerse AG and NYSE Euronext Inc. are in merger talks, which, if consummated, would create the world's largest exchange operator by revenue. economy. European futures opened slightly lower today. We anticipate a mild open for our domestic market, while further consolidation appears as the most possible scenario for Greek stocks.

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Highlights

Economic News

- BoG** In December 2010 the average interest rates on most categories of new deposits remained basically unchanged or slightly increased, while the interest rates on housing and consumer loans remained basically unchanged.
- Hellstat The Production Index in Industry (IPI)** in December 2010 recorded a decline of 5.2% yoy. In December 2009, the annual rate of change of the IPI was -6.7%. In the 12-month period from January 2010 to December 2010, the average rate of change of the IPI was -5.7%. In December 2009, the corresponding average rate of change of the IPI was -9.4%.
- Hellstat Commercial Transactions (estimates)** The total value of imports-arrivals in December 2010 amounted to €2,985mn dropping 13.0% yoy. The total value of imports-arrivals for Jan-Dec 2010 decreased by 20.9%yoy. The total value of exports-dispatches in December 2010 amounted to €1,537mn, up 21.6% yoy The total value of exports-dispatches for Jan-Dec 2010 increased by 8.3% yoy.
- FED** chairman Mr. B. Bernanke stated in front of the US budget committee that the deficit stands against the country's economic recovery. Nevertheless, the chairman appeared somewhat more positive on US economic prospects.
- ECB** executive committee member Mr. Lorenzo Bini Smaghi highlighted yesterday that Greece's bankruptcy is not an option, while estimating that the country will possibly proceed to a revision of the terms of the €110bn economic support package from EC/IMF/ECB.
- According to certain press reports, the **Cypriot Government** Council of Ministers approved a planned draft bill to **impose a tax for 2011 and 2012 on banks** for €60mn. A tax of 0.095% will be imposed on the banks' deposit base. Inter-bank deposits are to be excluded. There are no further details at the moment.

Corporate News

- Coca Cola Conference call takeouts** The next BoD meeting to be held within the next three months will decided on the capital return. Provided that the announced tax changes are implemented, CCH will reinstate the dividend in 2011 in line with their policy (20-30% payout). Price increases are expected to be below inflation (3.5%), as previously guided, while raw material price increases could range from mid to high single digit rates.
- Piraeus Bank** With a view to further enhance its liquidity has issued €1.25 bn of covered bonds, of a 3-year tenor with an extension period of 10-years and coupon rate of 1month Euribor plus a margin of 100bps. The transaction has been rated "A-" by Fitch and shall be listed in Luxembourg Stock Exchange. The transaction has been issued under Piraeus Bank's €3bn covered bond programme. Barclays Capital acted as the arranger of the programme. In other news, the 807,054,045 new shares (with a nominal value of €0.30p.s.) from the recent equity capital increase start trading **TODAY**.
- OTE** announced the dissolution and liquidation of OTE Properties REIC.

Published FY 10 Results

Focus List

- Coca Cola Hellenic (See below)**

Released Wed. Feb 9th bmkf

See Important Disclosures and Analyst Certification at the end

Economic News

Corporate News

Published FY 10 Results

Focus List

Coca-Cola Hellenic

Released **Wed. Feb 9th** (8.30 am)

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

The Management will host a conference call on the results at **15:30 Athens time** (13:30 London time, 8:30 US East Coast time).

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Q4 Published Results

(€mn)	Q4 10A	Q4 09A	Q4 10E	(%) A	(A-E) %
Volume (mn unit cases)	480.5	452.3	468.8	6.2%	2.5%
Sales	1,494.9	1,393.1	1,589.5	7.3%	-6.0%
EBITDA	157.6	162.5	164.9	-3.0%	-4.4%
EBITDA (comp)	174.7	154.5	170.2	13.1%	2.7%
Net Income	20.1	3.1	26.1	548.4%	-23.1%
Net Income (comp)	32.7	6.2	31.9	427.4%	2.4%

Source: Published Financial Statements, consensus estimates

FY Published Results

(€mn)	FY 10A	FY 09A	FY 10E	(%) A	(A-E) %
Volume (mn unit cases)	2,100.0	2,069.3	2,088.1	1.5%	0.6%
Sales	6,794.0	6,543.6	6,759.6	3.8%	0.5%
EBITDA	1,046.6	1,019.3	1,053.2	2.7%	-0.6%
EBITDA (comp)	1,083.6	1,021.2	1,075.2	6.1%	0.8%
Net Income	423.2	399.2	432.3	6.0%	-2.1%
Net Income (comp)	449.7	417.1	451.5	7.8%	-0.4%

Source: Published Financial Statements, consensus estimates

FY 2010 review - results broadly in line, but on lower than expected EBIT

CCH reported net sales revenue of €6,794mn, up 4% yoy, slightly above both analyst and ATEe expectations of €6,760mn and €6,764mn respectively, on volume of 2,100 million u.c., 1% above 2009 levels, ahead of analyst expectations of 2,088 million u.c. and slightly above ATEe estimates 2,096mn u.c. Comparable operating profit (EBIT) stood at €682mn, up 5% yoy, while comparable net profit stood at €450mn, up 8% yoy. EPS stood at €1.24, up 9%. Free cash flow of €549mn, stable yoy.

Q4 2010 review

Net sales revenue of €1,495mn were up 7% yoy but below analyst expectations of €1,590mn, on volume of 481 million u.c., up 6% yoy (vs analyst expectation of 469 million u.c.). Despite the fact that Q4 10 volume stood 2% above consensus estimates, Comparable operating profit (EBIT) was 14% below consensus estimates of €71mn, at €61mn, marginally up yoy, with a 4% EBIT margin. Comparable net profit was €33mn, up from €6mn in the prior year period, slightly exceeding analyst expectations of €32mn. EPS stood at €0.09, compared to €0.01 in Q4 09. Free cash outflow of €94mn for the last quarter of 2010, compared to the free cash inflow of €27mn in Q4 09.

Management comments

Management stated that it will be increasing net capex to €1.5bn for 2011 – 2013m, while at the same time, it remains focused on improving the efficiency of its business, and strengthening the ways in which customers are served. They raised the three-year rolling free cash flow target to approximately €1.6bn for 2011-2013. CCH will not pay a dividend, as the company did not repatriate foreign dividends, following unfavourable Greek tax legislation, but will propose a capital return through a recapitalization transaction.

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
OTE	HTO GA / OTEr.AT	€ 8.10	09.02.2011	NR	-
Coca Cola Hellenic	EEEK GA / HLB.AT	€ 21.40	09.02.2011	UR	-
Piraeus Bank	TPEIR GA / BOPr.AT	€ 1.64	09.02.2011	NR	-

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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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- 3 ATE Securities SA acts as a market maker for the securities 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	O	Stock Return > +9%
Neutral	N	Stock Return in the range [-9%, +9%]
Underweight	U	Stock Return < -9%
Not Rated	NR	The company is not covered by ATE Securities SA Research & Analysis Department
Under Review	UR	Rating not currently available
Restricted	R	ATE Securities SA policy and/or law prohibits investment recommendation
Rating Suspended	RS	There is no sufficient fundamental basis for determining an investment rating or target.
Coverage Suspended	CS	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 ⁽¹⁾
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. Yelder</i> <i>Medium Div. Yelder</i> <i>Low Div. Yelder</i> <i>No Cash div. Yelder</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	5 (20%)	1 (4%)	0 (0%)	14 (56%)	4 (16%)	1 (4%)	-	-
Inv est. Banking Services (per category)	0	-	-	-	-	-	-	-	-

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