

# GREEK DAILY BRIEF

Monday Feb. 28, 2011

## Statistics

Athens Stock Exchange						
		Shares				
MCap(€bn)	60.3	▲ 56				
Turnover (€mn / mn shares)	99.5 / 27.49	— 134				
Blocks (€mn / mn shares)	2.5 / .24	▼ 98				
Indices	25.02.11	(%)	1day	(%)	30day	(%)
ASE General	1,583.20	-1.05	-0.63	-1.97	11.97	
FTSE 20	741.26	-1.05	0.10	11.79		
FTSE 40	1,671.09	-0.65	2.87	11.51		
FTSE 80	287.98	-0.84	0.83	13.20		
FTSE International	1,958.65	-1.02	0.38	11.77		
Banks	1,406.81	-1.21	1.63	12.46		
Telecoms	1,984.60	-0.55	-4.38	17.62		
Travel & Leisure	2,548.88	-1.81	0.38	12.92		
Construction	2,424.91	0.05	1.23	1.85		
ETF Alpha FTSE 20 Idx	7.50	-1.06	-0.27	11.44		
DAX 30	7,185.17	0.77	1.52	3.92		
CAC 40	4,070.38	1.51	1.62	6.98		
FTSE 100	6,001.20	1.37	2.36	1.72		
Dow Jones	12,130.45	0.51	2.01	4.78		
Nasdaq	2,781.05	1.58	3.00	4.83		
S&P 500	1,319.88	1.06	2.62	4.95		
Nikkei 225	10,624.09	0.92	3.77	3.86		
Hong Kong (HSI)	23,361.03	1.52	-0.37	1.41		
Russia (RTS)	1,941.02	0.42	3.78	9.64		
Turkey (ISE 100)	61,367.34	1.00	-3.02	-7.03		
Romania (Bucharest)	5,691.89	1.51	0.34	8.03		
Bulgaria (Sofia)	442.60	3.71	11.16	22.15		
Cyprus	1,156.60	-0.31	-2.11	9.61		
Commodities						
Brent ICE (\$/bbl)	113.31	1.04	12.05	19.51		
WTI NYM (\$/bbl)	99.17	1.32	5.19	6.74		
Gold CMX (\$/troy oab.)	1,416.30	0.50	6.13	-0.51		
Aluminum LME (\$/mt)	2,565.00	0.94	8.64	3.85		
Copper LME (\$/mt)	9,760.00	0.01	5.51	1.67		
Carbon Fut. (€/mt)	15.43	0.00	3.07	8.89		
Currencies						
EUR/USD	1.3782	0.22	1.03	2.99		
USD/JPY	81.68	0.00	0.64	-0.69		
EUR/GBP	0.854	0.59	0.59	0.38		
Rates	Price	Yield(%)				
Euribor 3m (%)	-	1.09				
10Yr Bond (GR)	68.16	12.28				
10Yr Bund (GE)	105.63	2.94				
10Yr Bond (US)	100.44	3.07				
ASE Ind. Fut.	25.02.11	(%) day	Prem/Disc % / bps	Volume	Open Interest	Days to Expiry
FT20 March	742.89	-0.98	0.22 / +2	9,070	29,355	18
FT20 June	737.14	-0.57	-0.56 / -4	5	20	109

Greek Banks	25.02.11	(%)	1 day	(%)	1 month	(%)	Ytd
National Bank	6.89	-1.7	-2.4	13.9			
EFG Eurobank	4.68	-1.9	9.3	24.8			
Alpha Bank	4.89	-2.4	14.3	28.7			
Piraeus Bank	1.63	0.0	-1.8	-15.7			
Bank of Cyprus	3.06	0.3	-1.0	18.6			
Marfin Popular Bank	1.05	-0.9	-2.8	-4.6			
ATEbank	0.79	0.0	3.9	6.8			
Emporiki Bank	1.70	-3.4	6.9	9.0			
Hellenic PostBank	3.55	0.3	12.0	21.2			
Bank of Greece	33.62	-1.4	-3.8	16.2			
Egnaia Bank	0.69	0.0	11.3	9.5			
Geniki Bank	1.99	-1.0	1.5	-6.1			
Bank of Attica	1.08	-0.9	11.3	14.9			
Proton Bank	0.79	-1.3	11.3	14.5			
FTASE 20							
National Bank	6.89	-1.7	-2.4	13.9			
OTE	7.21	-0.6	-4.4	17.6			
Coca Cola HBC	19.36	-1.3	-10.0	0.0			
EFG Eurobank	4.68	-1.9	9.3	24.8			
Alpha Bank	4.89	-2.4	14.3	28.7			
OPAP	14.75	-1.7	0.3	14.0			
Piraeus Bank	1.63	0.0	-1.8	-15.7			
PPC	11.36	-2.2	-4.9	5.8			
Bank of Cyprus	3.06	0.3	-1.0	18.6			
Marfin Pop. Bank	1.05	-0.9	-2.8	-4.6			
MIG	0.92	0.0	27.8	31.4			
ATEbank	0.79	0.0	3.9	6.8			
Hellenic Petroleum	7.43	0.3	6.6	26.8			
Titan Cement	16.18	1.8	4.8	-1.5			
Jumbo	5.64	0.7	10.8	14.2			
Hellenic Technodomiki	3.57	-3.3	-5.3	6.6			
Hellenic PostBank	3.55	0.3	12.0	21.2			
Motor Oil	8.90	0.0	-3.9	18.7			
Viohalco	4.10	-4.0	-8.3	1.2			
Mytilineos	5.39	2.3	2.7	21.9			

\* ranked by Market Cap.

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

Source: Bloomberg

## Market Comment

The Greek market declined -1.05% on Friday amid turnover declining to €100mn, banks overall slightly under-performing and almost half FTSE 20 large caps posting gains or standing still. European markets snapped a five-session losing streak to finish higher Friday. The FTSE 100 rose 1.4%, the DAX 30 0.8% and the CAC 40 1.5%. US markets also closed higher. US markets also closed higher on Friday, ending a rather nervous week that was spotted by the turmoil in North African Arab countries. European futures opened rather flat today. Hellstat releases PPI for January today. Eurozone CPI for January out today.

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## Highlights

### Economic News

- Greek Finance Minister** Mr.G. Papaconstantinou said in an interview on Sunday that the government will pursue aggressive deficit cutting into 2015 and he believes that local bank sector tie-up action has just begun. Public sector will cut its budget deficit to below €17bn, or 7.4% of gross domestic product this year, from 9.4% in 2010. The Finance Minister said two-thirds of that target would come from cost cutting and one-third from raising revenues. Furthermore, he explained that for the national debt, which currently tops €330.1bn, or 152.6% of GDP, to start decelerating after 2013, three factors need to be in place. The country needs a) primary surpluses of 5.5% of GDP, b) economic growth of more than 2%, and c) an average cost of debt servicing at about 5%, while the Minister expressed his confidence that these will be implemented.

### Corporate News

- OTE** announced a weak set of Q4 2010 financial results. More below. BoD to decide on dividend in March.
- Bank of Cyprus** announced Q4 2010 financial results. More below.
- Revol** Sales for FY 2010 rose 31.51% yoy to €764.2 mn, with net profit settling at €3.95 (down from €4.33mn in 2009). The BoD will propose a dividend of €0.0329 per share to the AGM.
- Trastor** AGM decided dividend distribution of €0.10 per share.
- ANEK LINES** shares are traded on the ATHEX ex-rights in terms of 5 new for every 8 old shares, at an issue price of € 0.30 per share. The rights' trading period is set from March 4, 2011, to March 14, 2011. The rights' subscription period is set from March 4, 2011, to March 18, 2011.

### Published FY 10 Results

### Focus List

- |                                       |          |                                |
|---------------------------------------|----------|--------------------------------|
| • Coca Cola Hellenic                  | Released | Wed. Feb 9 <sup>th</sup> bmkt  |
| • EFG Eurobank                        | Released | Thu. Feb 24 <sup>th</sup> amkt |
| • Hellenic Petroleum                  | Released | Thu. Feb 24 <sup>th</sup> amkt |
| • OTE (Hellenic Telecom Organization) | Released | Fri. Feb 25 <sup>th</sup> bmkt |
| • Bank of Cyprus                      | Released | Mon. Feb 28 <sup>th</sup> bmkt |

Other Companies:

### Consensus Estimates Q3 2010 Results

### Focus List

- |                       |              |                                |
|-----------------------|--------------|--------------------------------|
| • Marfin Popular Bank | Release Date | Mon. Feb 28 <sup>th</sup> amkt |
|-----------------------|--------------|--------------------------------|

See Important Disclosures and Analyst Certification at the end

## Economic News

## Corporate News

### Published FY 10 Results

### Focus List

#### Bank of Cyprus

Analyst: Nikos Papadopoulos NiPapadopoulos@ate.gr +30 210 36 87 857

Released Mon. Feb 28<sup>th</sup> bmkf

##### Bank of Cyprus

##### Q4 10 Published Results

(€mn)	Q4 10A	Q4 09A	Q4 10E	(%) A	(A-E) %
Net Interest Income	273.4	231.4		18.2%	-
Net Fees	60.4	71.2		-15.2%	-
Total Revenue	406.9	337.4	363.4	20.6%	12.0%
Oper. Costs	193.5	178.9		8.2%	-
Cost/Income (%)	48%	53%		-10.3%	-
Provisions	146.0	91.9		58.9%	-
Net Income	58.2	48.6	72.2	19.7%	-19.4%

Source: BOC Financial Results Presentation, where available Bloomberg median consensus estimates

##### FY 10 Published Results

(€mn)	FY 10A	FY 09A	FY 10E	(%) A	(A-E) %
Net Interest Income	1041.0	847.8		22.8%	-
Net Fees	231.0	243.3		-5.0%	-
Total Revenue	1450.0	1286.5	1406.5	12.7%	3.1%
Oper. Costs	725.0	674.3		7.5%	-
Cost/Income (%)	50%	52%		-4.6%	-
Provisions	375.0	247.9		51.2%	-
Net Income	306.0	313.1	320.0	-2.3%	-4.4%

Source: BOC Financial Results Presentation, where available Bloomberg median consensus estimates

##### Bank of Cyprus

##### FY 10 Balance Sheet

(€mn)	FY 2010	H1 2010	FY 09 A	(%) A (FY10-FY09)
Assets	42,638	43,197	39,411	8.2%
Loans (Net)	27,725	26,968	25,636	8.1%
Deposits	32,953	32,554	28,585	15.3%
Equity (excl minor)	2,737	2,373	2,423	13.0%
Loans/Deposits	0.84	0.83	0.90	-6.2%

Source: BOC Financial Results

**Bank of Cyprus** announced FY 2010 financial results with net income as expected at €306mn exceeding the €300mn level but only slightly below median consensus with provisions of €145mn for Q4 (FY €375mn) pressing results. Yet, strong core income generation, NII up +23% yoy to €1041mn for the year, with net fees keeping their ground at €231mn (-5%yoy), boosted total income to reach FY €1450mn (+12.7% yoy) and €407mn for Q4 (+20.6% yoy), strengthening therefore pre-provision profit and allowing net income of €306mn to be reached. Cost to income fell to 50%, supported by strong income generation. The Group expects after tax profit for 2011 at around similar levels. In 2010 the Group managed to achieve loan growth in all areas (4% growth in Greece), while deposits overall +15% yoy, were strongly supported in Cyprus (and grew in Russia and other markets) but declined-10% in Greece. NPLs at 7.3% (Cyprus 7% and Greece 8.3%) from 6.7% at Q3 2010. The Group's capital position stood strong with CAR at 11.9%, Tier 1 at 11% and Core Tier 1 at 8.1%. Considering the forthcoming convertible enhanced capital securities of €1342mn pro forma FY 2010 CAR reaches 14% and Tier 1 12.7% respectively. BOC achieved ROE of 11.9% from 14% in 2009. The Bank announced final dividend for 2010 of €0.03 per share (total cash dividend of €0.09 per share).

#### OTE (Hellenic Telecom Organization)

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

Released Fri. Feb 25<sup>th</sup> bmkf

##### Q4 Published Results

(€mn)	Q4 10A	Q4 09A*	Q4 10E	(%) A	(A-E) %
Sales	1,330.4	1,518.4	1,378.3	-12.4%	-3.5%
EBITDA	311.0	511.1	326.0	-39.2%	-4.6%
Net Income	-91.7	-29.0	-22.6	-216.2%	-305.8%

Source: Published Financial Statements, consensus estimates

##### FY Published Results

(€mn)	FY 10A	FY 09A*	FY 10E	(%) A	(A-E) %
Sales	5,482.8	5,958.9	5,530.7	-8.0%	-0.9%
EBITDA	1,747.9	2,198.3	1,762.8	-20.5%	-0.8%
Net Income	39.6	410.9	108.7	-90.4%	-63.6%

Source: Published Financial Statements, consensus estimates

\* Certain reclassifications have been made by OTE for presentation purposes

Net loss in Q4 2010 is burdened by a one-off charge of €129.8mn related to OTE's 2005-06 VRS

OTE's activities were affected by the challenging economic situation and deteriorating consumer environment, across all countries in which it operates. As a result, **revenues** declined 12.4% yoy in Q4 10. On a comparable basis (i.e. excluding Q4 10 revenues of Zapp in Romania), Group revenues were down by 12.8% compared to Q4 09. Affected by a GDP contraction of 6.6% on an annualized basis, in Q4 10, the Group's revenues in Greece declined sharply, both in fixed-line and in mobile telephony, while in Romania fixed-line revenues also recorded a double-digit drop. International mobile revenues proved somewhat more resilient.

OTE posted a **net loss** of €91.7mn in Q4 10, burdened by a charge of €129.8mn related to OTE's 2005-06 VRS mandated by the Greek government and by an impairment charge of €244.5mn at RomTelecom with respect to the recoverable values of its property, plant and equipment, with the impairment's total effect on OTE's net results, after write-offs taken at OTE Group level in prior years, as well as taxes and minorities, amounting to €77.6mn. OTE is challenging the VRS decision. These extraordinary charges were only partly offset by a €30.1mn reversal related to the special contribution tax, following clarifications by the Greek Ministry of Finance that the tax on dividend income received from the profits of subsidiaries on which a special contribution has already been charged, should be refunded.

## Eurobank

Analyst: Anthony Christofidis AChristofidis@ate.gr +30 210 36 87 852

Released Thu. Feb 24<sup>nd</sup> amkt

### Q4 Published Results

(€mn)	Q4 10A	Q4 09A	Q4 10E	(%) A	(A-E) %
Interest Income	554.0	607.9	558.8	-8.9%	-0.9%
Fees	95.9	112.2	94.4	-14.5%	1.6%
Total Revenue	710.6	786.8	720.2	-9.7%	-1.3%
Oper. Costs	371.9	304.8	366.6	22.0%	1.4%
Provisions	339.8	324.5	347.5	4.7%	-2.2%
Net Income	7.7	24.5	6.0	-68.6%	28.3%

Source: Published Financial Statements, consensus estimates

Note: Q4 2009 net income included a one-off tax charge of €57mn

### FY Published Results

(€mn)	FY 10A	FY 09A	FY 10E	(%) A	(A-E) %
Interest Income	2,254.0	2,340.9	2,258.8	-3.7%	-0.2%
Fees	403.6	418.2	402.1	-3.5%	0.4%
Total Revenue	2,924.0	3,039.8	2,933.6	-3.8%	-0.3%
Oper. Costs	1,426.0	1,470.8	1,420.7	-3.0%	0.4%
Provisions	1,362.0	1,177.5	1,369.7	15.7%	-0.6%
Net Income	68.0	304.5	66.3	-77.7%	2.6%

Source: Published Financial Statements, consensus estimates

**Eurobank** announced a better than expected result with its group net income amounting to €113mn in 2010, down 69% yoy. Regarding Central and Southeastern Europe profits, these were reversed to a profit of €32mn in 2010 from losses of €44mn in 2009. Pre provision income maintained at high levels (€1.5bn), despite the adverse conditions. Group operating expenses recede by 3% yoy and by 9% the last two years. NPLs (90dps) at 9.6% with bad debt provisions stabilize and 90+ formation continues declining in Q4 2010. Customer deposits increase in Greece and abroad by €850m in Q4 2010, despite the crisis, while loan balances expanded by €900mn in Q4 2010. Strategic partnership with Raiffeisen Bank International in Poland and merger with Dias Portfolio Investment Company enhanced the capital adequacy and liquidity position of the Group, with total CAD improving by at least 135 bps to 13.1% and liquidity strengthening by around €2bn. Management stated that against the backdrop of an adverse environment, the Group remained profitable in every quarter of the year, sustaining the trust of its clients. Through strategic initiatives, such as the partnership with Raiffeisen Bank International AG in Poland and the merger with Dias Portfolio Investment Company, Eurobank managed to strengthen organically its capital and liquidity position, thus demonstrating flexibility, resourcefulness and ability to operate successfully even under highly adverse market conditions. In 2010, the Bank sustained its pre-provision earning capacity, focusing on selective business development, mainly outside Greece, and further cost containment, while it also continued to effectively manage risks. Management also reaffirmed its focus on meeting the challenges of a particularly negative external environment, actively supporting clients and contributing to the economic development in all countries the Group operates.

## Hellenic Petroleum

Analyst: Anthony Christofidis AChristofidis@ate.gr +30 210 36 87 852

Released Thu. Feb 24<sup>nd</sup> amkt

### Q4 Published Results

(€mn)	Q4 10A	Q4 09A	Q4 10E	(%) A	(A-E) %
Sales	2,297.0	2,020.0	2,320.0	13.7%	-1.0%
EBITDA	122.0	56.0	124.5	117.9%	-2.0%
EBITDA <sup>1</sup>	86.0	45.0	84.3	91.1%	2.0%
Net Income	50.0	-11.0	44.8	-	11.6%
Net Income <sup>1</sup>	35.0	-23.0	23.8	-	47.1%

Source: Published Financial Statements, consensus estimates

<sup>1</sup> Adjusted results are net of inventory effect & one-off items (VRS)

All Q4/FY2009 results are adjusted to include Hellenic Fuels (ex. BP Hellas) for comparative purposes

### FY Published Results

(€mn)	FY 10A	FY 09A	FY 10E	(%) A	(A-E) %
Sales	8,477.0	7,424.0	8,500.0	14.2%	-0.3%
EBITDA	501.0	433.0	503.6	15.7%	-0.5%
EBITDA <sup>1</sup>	474.0	405.0	472.5	17.0%	0.3%
Net Income	180.0	199.0	175.0	-9.5%	2.9%
Net Income <sup>1</sup>	205.0	174.0	193.3	17.8%	6.1%

Source: Published Financial Statements, consensus estimates

<sup>1</sup> Adjusted results are net of inventory effect & one-off items (VRS)

All Q4/FY2009 results are adjusted to include Hellenic Fuels (ex. BP Hellas) for comparative purposes

**Hellenic Petroleum** announced better than expected results, with net Income declining only by 10% to €180mn, as a result of the inclusion of provisions for the special income tax on 2009 results and the change in the legal framework regarding dividend taxation. Moreover, 2010 Group's results were positively affected by the improvement in international cracking margins, the increased contribution of its international subsidiaries and exports, the contribution of the Gas & Power activities, as well as the transformation initiatives launched in 2008 across the Group's business units and activities. The above offset the impact of the adverse developments in the Greek market, which for the first time in 2010 posted a decline in demand estimated at 14%. Consolidated Adjusted EBITDA amounted to €474mn, while reported EBITDA, which includes the impact of crude oil prices on inventories as well, was €501mn. Adjusting for last year's VERS-related costs, reported EBITDA were flat yoy. FY 2010 adjusted Net Income increased by 18% yoy to €205mn. With regards to Group's investment plan, upgrade projects for Elefsina and Thessaloniki refineries are progressing as scheduled and within budget. Specifically, the upgrade of the Thessaloniki refinery was successfully completed, with the refinery shutting down for a planned maintenance and tie-ins within Q1 2011. The Elefsina upgrade progress is at +80% of the total project, with all major contractors in place and completion expected in H2 2011. In respect of the financial position, despite recent developments in the Greek market, the Group maintains a strong balance sheet and through long-term planning has secured the required funding sources to support its investment plans. Specifically, during 2010, the Group secured the planned additional funding lines of €1bn, of which €750mn have already been drawn. Based on the results and taking into account the Group's overall financial position, the Board of Directors will recommend at the Annual General Meeting to maintain the total gross dividend for FY2010 at the same levels in 2009 distributing €0.45 per share.

## Coca-Cola Hellenic

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

Released Wed. Feb 9<sup>th</sup> (8.30 am)

### Q4 Published Results

(€mn)	Q4 10A	Q4 09A	Q4 10E	(%) A	(A-E) %
Volume (m n 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 (m n 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

## Consensus Estimates Q4 2010 Results

### Marfin Popular Bank

Release date **Mon. Feb 28<sup>nd</sup>** amkt

Analyst: **Nikos Papadopoulos** [NiPapadopoulos@ate.gr](mailto:NiPapadopoulos@ate.gr) +30 210 36 87 857

Management will host a conference call for the results on Monday 28, at **18:30 Athens time** (16:30 London time, 11:30 US East Coast time).

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#### MARFIN POPULAR BANK

#### FY 10 ATE Sec Estimates-Blg Consensus Estimates

(€mn)	ATE Sec FY 10E	Blg Consensus FY 10E-Low	Blg Median Consensus FY 10E	Blg Consensus FY 10 E-High	FY 09A	(ATE E-09) %	(Blg Median-09) %
<b>Total Income</b>	1027	1026	1042	1087	1074.9	-4.5%	-3.1%
<b>Pre-Tax Profit</b>	121.6	102	122	158	217.8	-44.2%	-44.0%
<b>Net Income-Reported</b>	92.3	84	92.3	102	173.9	-46.9%	-46.9%

ATE Sec Estimates-Bloomberg Consensus Estimates

Our FY 2010 PBT and net income estimate (as of Oct 1 2010) matches Bloomberg median consensus. On total income with €1027mn we are closer to the lower Blg Analyst Consensus figure.

## DISCLOSURES

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- (ii) **No part of their compensation** was, is, or will be, directly or indirectly, related to the specific views or recommendations expressed in the report.

### 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
Bank of Cyprus	BOC GA / BOCr.AT	€ 3.06	25.02.2011	NR	-
OTE	HTO GA / OTEr.AT	€ 7.21	25.02.2011	NR	-

#### Disclosure Outline

- 1 ATE Securities SA and / or any of its affiliates owns 5% or more of the total share capital of the Company
- 2 The Company and / or its affiliates owns 5% or more of the total share capital of ATE Securities SA and / or its affiliates
- 3 ATE Securities SA acts as a market maker for the securities of the Company
- 4 ATE Securities SA has been asked to prepare and or will receive compensation from the company for the preparation of the report
- 5 ATE Securities SA, its affiliates or subsidiaries has acted as manager/co-manager in the underwriting or placement of securities of this company within the past 12 months
- 6 ATE Securities SA, its affiliates or subsidiaries has received compensation for investment banking services from this company within the past 12 months
- 7 ATE Securities SA, provides, or has provided the company with non-investment-banking, securities related services in the past 12 months
- 8 ATE Securities SA, receives, or has received non-investment-banking, securities related services by the company, in the past 12 months
- 9 ATE Securities SA, receives, or is expected to receive investment banking services from this company within the next 3 months
- 10 ATE Securities SA, receives, or is expected to receive non-investment-banking, securities related services from this company, in the next 3 months
- 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	<b>O</b>	Stock Return > +9%
Neutral	<b>N</b>	Stock Return in the range [-9%, +9%]
Underweight	<b>U</b>	Stock Return < -9%
Not Rated	<b>NR</b>	The company is not covered by ATE Securities SA Research & Analysis Department
Under Review	<b>UR</b>	Rating not currently available
Restricted	<b>R</b>	ATE Securities SA policy and/or law prohibits investment recommendation
Rating Suspended	<b>RS</b>	There is no sufficient fundamental basis for determining an investment rating or target.
Coverage Suspended	<b>CS</b>	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 <sup>(1)</sup>
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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