

Daily Market Report



Wednesday, 31 August
2011

BETA SECURITIES SA
Member of the Athens Stock Exchange

	Price	Chg : %	30 days %	YTD %*
GR				
Athens General	958	-4.8%	-20.4%	-32.2%
FTSE / ASE 20	407	-5.5%	-22.7%	-38.7%
FTSE / ASE Mid 40	980	-5.7%	-17.8%	-34.6%
US				
Dow Jones	11,560	0.2%	-4.8%	-0.2%
Nasdaq	2,576	0.5%	-6.5%	-2.9%
S&P 500	1,213	0.2%	-6.1%	-3.6%
Europe				
FTSE-100	5,269	2.7%	-9.4%	-10.7%
DAX-30	5,644	-0.5%	-21.2%	-18.4%
CAC-40	3,160	0.2%	-14.0%	-17.0%
Eurostoxx 50	2,179	1.0%	-13.2%	-15.7%
Eurostoxx 50E	2,239	0.0%	-16.1%	-19.8%
Asia				
NIKKEI-225	8,954	1.2%	-8.9%	-12.5%
HANG SENG	20,204	1.7%	-10.0%	-12.3%
year end 2010*				

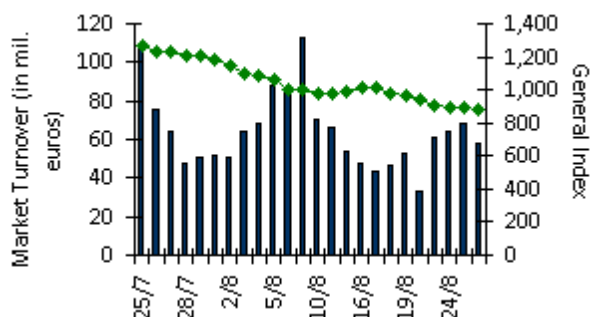
Market Statistics

Market Cap (in bil. €)	39.7
Market Turnover (in mil. €)	126.8
Advances	47
Declines	117
Unchanged	24
Total Movers	188

Futures Delivery	Settlmnt	Prem/Di sc	Open Interest	Traded Volume
FTSE / ASE 20				
September 2011	409.46	0.66%	24,376	24,581
December 2011	409.57	...	42	24

1H 2011 Results

Hellenic Petrol	31-Aug
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Market Comment

Athens Stocks were forced into heavy losses on Tuesday, after Monday's mini rally. Volume, increased significantly with turnover exceeding €120 million with strong fluctuations. Banks fell by 6.76% to 639.56 units, after a fluctuation into a margin 113.6 points or 16.83%. Piraeus Bank and TT rose by 5.56% and 4.41% at €0.76 and €1.42 respectively.

Results Review

BoC

The bank posted higher than expected impairments of 268m euros (vs. expectations for 200m euros) and a 26% increase in provisions. As a result, 1H 2011 net losses stood at 112m euros [vs. estimates for losses of approx. 30m euros].

1H 2011 NII at 553m euro (+11% yoy) in line with market estimates. NII at resilient levels of 2.78% from 2.62%.

Net loans grew by 4% to 28b euros - as a result of a corresponding loan increase in Cyprus - while deposits stood at the levels of 32.6b euros (unch). LTD ratio at 86% from 83%.

NPLs decreased to 54% from 57%. Capital adequacy at 12%.

ECB funding dropped 58% yoy to 1.4bn euros.

2011: The Group expects to achieve significant net profitability, including the impact from the implementation of the GGB exchange plan, based on the current terms of the plan.

	2Q2011A	Q22010A	%Δ actual yoy	1H2011A	1H2010A	%Δ actual yoy
NII	277	255	9%	553	497	11.3%
NI	84	82	2%	155	163	-4.9%

NBG

The bank posted impairment charges of 1.3b euros after tax due to PSI (in line with median estimates) but higher than expected provision charges for the 1H 2011 (+27% yoy). As a result, 1H 2011 net losses stood at 1.3b euros vs. estimates for losses of approx. 1.2b euros. Provisions coverage at 58%.

1H 2011 NII stood at 1.9b euros (-6% yoy). NI margin remained at 3.65% from 3.93%

Capital adequacy at 11%

Total net loans stood at 70b euros (-2.7%) while total deposits at 62b euros (-10% yoy). LTD ratio at 110%.

	2Q2011 A	Q22010A	%Δ actual yoy	1H2011A	1H2010A	%Δ actual yoy
NII	961	1,040	-7.6%	1,952	2,075	-5.9%
NI	-129	125	nm	29	146	-80.1%

Conference Call – Key Take Ways

- Main focus is strengthening of capital base
- Merger of Alpha and Eurobank is in the right direction. We will deal with competition when this arises, but all players benefit from such moves
- Provisions reflect macroeconomic expectations
- Sale of Finansbank will happen when market conditions are appropriate, something that is not the case currently. Management target is that Finansbank becomes the 4th largest bank in Turkey.
- State deposits are volatile
- The bank has managed to retain its market share regarding deposits

PPC

- 1H 2011 Turnover reached 2,719.1m euros, vs € 2,894.5m euros in 1H2010, a reduction of 6.1% yoy. Turnover includes an amount of 59m euros reflecting network users' contributions for connections to the network (1H2010 101.3 m euros).
- EBITDA amounted to 603.8 m euros in 1H2011 compared to 821.1 m euros in 1H2010, reduced by 26.5%.
- EBITDA margin reached 22.2%, compared to 28.4% in 1H2010. The increase in the energy balance cost by 12.4% coupled with a 6.1% turnover reduction are the main factors leading to a 26.5% decline in the EBITDA, despite the significant decrease in payroll expenses by 13.5%.
- Management reiterated their full year guidance for EBITDA margin in the range of 19% - 20%, assuming Brent oil price of \$110/bbl and €/€ exchange rate of 1.37.
- Net income came in at € 128.8m (-63% yoy) and has not been burdened with a provision related to the windfall tax, as the relevant law for 2011 corporate profits has not yet been voted.

-Net debt amounted to € 4,302.4, an increase of € 92.1 m compared to 31/12/2010 (€ 4,210.3 m) and an increase of € 348.4 m compared to 30/6/2010

-The decrease in payroll costs between 1H2011 and 1H2010 amounted to € 87.3 m, mainly as a result of personnel retirements outnumbering hirings and the reduction in overtime and shifts expense

-Operating expenses, excluding depreciation, increased by € 41.9 m (+2%) from € 2,073.4 m in 1H2010 to € 2,115.3 m.

-2Q 2011 Results have been burdened with an amount in the order of € 35 m due to the strike from 20/6/2011 to 30/6/2011

Conference Call – Key Takeaways

- Refinancing needs for this year are secured
- There are discussions with banks that will be concluded in the next two months. It is expected that this way the Company will secure 60-70% of its payments for next year
- At the end of the September negotiations with high voltage clients will be concluded; also at the same time there will be an agreement between the EU and the government regarding lignite.

Bank of Piraeus

Net interest income (NII) amounted to €628 mn, +6% y-o-y. In Q2'11 NII was €319 mn which was the best quarter for the Group historically.

Operating costs decreased by 4% y-o-y at €403 mn with operating expenses decreased both in Greece by 5% and abroad by 2%.

Provisions amounted to €371 mn increased by 38% y-o-y corresponding to 192 bps on average loans (137 bps in H1'10), Pre tax result was -€1,004 mn in H1'11 post PSI, while after tax attributable to shareholders amounted to -€820m

Conference Call Details: .Today at 9:30 am (GR). Dial in: Greek participants:+ 30 211 180 2000. UK participants:+ 44 (0) 800 376 9250.

Sarantis / 1H 2011 t/o 111.8m euros (+2.3%), ebitda 6.80m euros (-34.6%), net income at 3.17 euros (-50.9%). The reduction in the Group's profitability was driven by lower gross profit margin, higher A&P expenses and low Estee Lauder JV income. The Group's foreign countries maintain their high participation in the consolidated Group sales. Their participation rate is the 61% on the sales of continuing operations. The participation of own brands to the Group's turnover further increased.

Fourlis/ 1H 2011 sales dropped 38.7% to 194.3m euros. Ebitda fell 28.5% to 13.9m euros. Net income at 3.5m euros (-65.2%).

	SALES			EBITDA			PBT		
	Sales (adjusted)			EBITDA (adjusted)			PBT (adjusted)		
	H1FY11	H1FY10	Δ%	H1FY11	H1FY10	Δ%	H1FY11	H1FY10	Δ%
Retail Home Furnishings (IKEA)	135,66	139,02	-2,4%	11,92	15,25	-21,9%	4,61	9,62	-52,1%
				12,82	16,46	-22,1%	5,51	10,83	-49,1%
Retail Sporting Goods (INTERSPORT)	41,19	37,82	8,9%	Gr & Cyp	2,19	-20,6%	Gr & Cyp	1,3	0,04
				2,6			1,3		
				Other countries			Other countries		
				-0,9			-2,1		
				Total			Total		
				1,74			-0,76		
Electricals & Electronics	17,53	139,99	-87,5%	0,61	2,58	-76,2%	0,07	0,93	-92,8%
	15,27	17,12	-10,8%	0,15	1,75	-91,4%	-0,30	0,44	-
Holding Company & Consolidation Differences	-0,03	-0,04	-	-0,33	-0,52	-	-0,32	-0,29	-
GROUP	194,34	316,79	-38,7%	13,93	19,50	-28,5%	3,59	10,30	-65,2%

FF Group / 1H 11 sales 488.8m euros (+5.2%), ebitda 97.8m (-5.4%) with ebitda margin 20% from 22.2%. Net income stood at 49.3m euros (+28.72%) before merger .

Intralot/

MIG/ H1 sales reached 807.4m compared to €900.7m (-10.4%). Loss after tax and minorities for the first half from continuing and discontinued operations amounted to €108.8m euros compared to losses of 254.6m (excluding impairments taken in 2010) MIG's Net Asset Value stands at €2.0bn, or €2.63 per share; current cash at company level amounts to €429.9m

Athens Water & Sewage / Net income in the first six months of the year rose to 7.8m euros from 3m euros in the same period a year earlier.

Intralot / Sales at 586.4m euros (+8.4% yoy), Ebitda at 72.6m euros (+2.5%), Net income at 7.5m euros (-70.4%).

Viohalco / Greece's biggest industrial company, posted a net loss of 2.4m euros in the first six month of the year compared with a year-ago profit of 2.1m euros.

Alpha Bank - Eurobank M&A conference call –Key points

- Management feels confident regarding the achievement of 650m euros in annual synergies by 2014 largely coming from the cost side [30m euros in rent; 130m euros through the adoption of a common IT platform; 30m euros in postage, there will be branch network rationalization with a gradual reduction of the number of branches etc] and the reduction around the cost of funding - management anticipates a 30bps improvement in deposit spreads over the 3-year period
- Accounting treatment of GGB's following the merger should be associated with the PSI exercise - we should note that IFRS acquisition accounting calls for mark-to market of bond holdings which could result in further GGB related losses
- The banks do not anticipate any restrictions by the Competition Committee as the combined market shares should be reviewed within a wider European context
- 350m euros convertible bond conversion price is 12% discount to the market price as of end-2014 - Eurobank is looking into ways to trigger earlier conversion
- 1.75bn euros combined capital raising should start around the beginning of 2012.
- De-leveraging: €1.0bn reduction in combined loan balances within the next 6 months with further reduction following a review of the banks' loan portfolio
- Management believes that the planned capital buffers are enough to absorb sovereign & credit losses and should allow them to proceed with the repayment of €1.9bn preference shares by 2014

Motor Oil Conference Call Highlights

- Refining margins at 67.4US/MT (from 64.1US/MT) while market benchmark is lower at 20.9US/MT
- Exports increased by 20% mainly due to the increased demand in US, UK and BP
- Jet oil production +177% yoy
- Lower operating costs due to the connection with the natural gas network & the addition of 2 turbines
- Higher administrative costs (increased marketing & distribution costs of Shell)
- Target production for 2011 over 9MT from 7MT
- Results comparable



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