



ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ
ΥΠΟΥΡΓΕΙΟ ΟΙΚΟΝΟΜΙΚΩΝ

Hellenic Privatization Programme

2/6/2010



Policy Goals

- Effective use of public assets and resources so as to:
 - Restructure the economy
 - Foster economic development
 - Contribute to fiscal consolidation
 - Raise overall quality of life
- Safeguard:
 - Public goods
 - State shareholdings in strategic and national security assets
- Guarantee public goods and utilize the dynamism of the private sector so as to better serve citizens



Methods and Procedures

- Levels of possible state ownership:
 - 51% or more: controlling majority
 - 34%: binding minority interest
 - Less than 34% combined with shareholder agreement
 - Complete privatization
- Putting to use the know-how of the private sector through:
 - Out right sales
 - Concession agreements
 - Initial public offerings
 - Strategic partnerships
 - Holding companies
- Open a consultation process with stakeholders.



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Classes of State-Owned Assets

Banks: Agricultural Bank, Hellenic Post Bank

Transport: e.g. Airports, Ports, Railway Operators

Utilities: e.g. EYDAP, EYATH

Energy: e.g. Public Power Corporation (PPP), DEPA, ELPE

Telecoms: OTE

Gaming: e.g. OPAP, Casinos, ODIE

Real Estate: e.g. KED, ETA, OSE Real Estate



Transport: Railways (OSE)

- **Current status:**
 - A fully state-owned group of companies
 - The group has annual losses of almost 1 billion euro, and about 10 billion euro of debt
- **Action plan:**
 - Immediate restructuring so as to return group to profit, minimize debt load
 - Closure of loss-making lines
 - Streamline management, downsize staff
 - Set acquisitions and maintenance concessions between companies at market rates
 - Sell 49% of TRAINOSE operator to a strategic investor, plus management
 - Develop OSE railway stations and commercial real-estate via concession agreements and SPV's
 - Develop two large freight centers of OSE in Thessaloniki and in Thriasio (Athens) via concession agreements



Ports: OLP, OLTH, Regional Ports

- **Action plan:**

- The State currently owns 74% of OLP and OLTH as well as 100% of further 10 regional ports
- Study the optimality of corporate reorganization of the port portfolio
- Management under holding companies
- Develop and invest in port services in cooperation with strategic investors
- Float 49% of these newly created corporate entities on the Athens Stock Exchange



Airports: AIA, Regional

Athens International Airport (AIA):

- The State owns 55% of AIA concession company
- Extend existing concession agreement
- Possible inclusion of stake in a holding company and float on the ASE

Regional airports:

- The State is the sole owner of regional airports
- Study the optimality of corporate reorganization of the airport portfolio
- Grant concession agreements and management to strategic investors
- Possible inclusion of stake in a holding company
- Float of holding company or companies on the ASE



Concession Agreements

- Effective tool for the development of public assets, e.g. infrastructure, real estates
- Set-up a mechanism to monitor existing concession agreements, e.g.:
 - Attiki Odos motorway
 - Athens International Airport
 - Rio-Andirio Bridge
- New concession agreements:
 - Egnatia Odos motorway
 - New motorways in e.g. Attica, Crete
 - OSE freight centers



Utilities: EYATH, EYDAP

- **EYATH:**
 - The state currently owns 74%
 - Complete separation of existing network infrastructure
 - Sale 23% of state holdings
- **EYDAP:**
 - The state currently owns 61%
 - Proceed with further separation of networks
 - Sale 10% of state holdings so as to maintain 51% controlling stake.
- **“Hellenic Waters S.A.”**
 - Explore the possibility of including EYATH, EYDAP and other regional utilities into a holding company.



Energy: DEPA, DEH, ELPE

- **DEPA**

- The State owns 65% of DEPA and PPP has an option to acquire 30%
- Value the “DEH option”
- Possible separation of DEPA-DESFA
- The State will retain full management rights and control of DEPA-DESFA

- **Public Power Corporation (PPP)**

- The State currently owns 51% of DEH
- The State will maintain its controlling stake in DESMHE network
- Push through structural reforms for both retail and wholesale markets
- Implement the EU 3rd Energy Package

- **ELPE**

- Maintain the State strategic shareholding in the group.



Telecoms: ELTA - OTE - Signal Frequency

ELTA

- The State owns 90% of ELTA.
- Hellenic Post Bank holds the remaining 10%.
- The Greek government will sell 39% of its holding so as to maintain a 51% controlling stake.

OTE

- The Greek state will maintain its existing strategic stake in the company

Frequency rights

- The Greek state will explore possible concession agreements



Gaming

- **Casinos:**
 - Proceed with complete privatization; sell all holdings in ETA.
- **OPAP**
 - The State controls OPAP through its 34% minority holding in the company.
 - Develop a legal framework to regulate the gaming and internet betting industry, issuing of new licenses, extend OPAP's monopoly
 - OPAP's liquidity provides opportunities to expand its business into new products
 - Maintain the State holding in the company.



Managing Public Assets Through Holding Companies

- The State may contribute a “basket” of public assets to one or more holding companies. Advantages include:
 - Direct revenues
 - Maintain control in companies of strategic interest.
 - Allow the state to contribute non-listed companies to this pool of assets
 - Effective application to homogeneous portfolios
 - Effective application to concession portfolios where passive investors may be present



State-Owned Real Estate - I

- **KED-ETA-Olympic Real Estate**
 - Merge the three companies into one, where:
 - concession rights will be granted
 - Long-term State ownership remains intact
 - Inclusion of real estate now under the management of various ministries
 - Design concession agreements using the privatizations law
 - Manage portfolios of assets through new holding companies
 - Potentially float the company on the ASE, maintain a 51% or 34% state holding.
 - Condition: Existing legal framework needs to be enriched to provide tools for a fast maturity process



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State-Owned Real Estates -2

- **XENIA**
 - Sale of or concession agreements for the management of individual or a group of Xenia hotels
 - Possibly float the company on the Athens Stock Exchange, maintain a 51% or 34% state holding.
- **Tourism Real Estate**
 - Create a portfolio of “quality” tourist real-estate, bring them under the management of private companies through concession agreements
 - Possibly float the companies on the Athens Stock Exchange, maintain a 51% or 34% state holding.
- **Large state-owned real estate holdings**
 - Set-up special purpose vehicles to manage and capitalize on large state-owned real estate assets (Ellinikon, Tatoi)