

**INVITATION FOR EXPRESSION OF INTEREST AND SUBMISSION OF OFFERS
TO ACT AS TECHNICAL/COMMERCIAL ADVISER TO THE HELLENIC REPUBLIC
IN RELATION TO THE PRIVATISATION OF TWELVE (12) PORT COMPANIES**

13 October 2011

1. Introduction

- 1.1 Pursuant to the provisions of Law N. 3985/2012 "Medium Term Fiscal Strategy 2012-2015" (Government Gazette nr. A' 151/2011), the Medium Term Fiscal Strategy 2012-2015 was adopted, together with the "Privatizations Programme 2011-1015" (Chapter B', Part II «Privatizations»), which includes, *inter alia*, the further privatisation of Piraeus Port Authority SA ("**OLP**") and Thessaloniki Port Authority SA ("**OLTH**") as well as the privatisation of (i) Elefsina Port Authority SA, (ii) Lavrion Port Authority SA, (iii) Rafina Port Authority SA, (iv) Igoumenitsa Port Authority SA, (v) Alexandroupoli Port Authority SA, (vi) Volos Port Authority SA, (vii) Kavala Port Authority SA, (viii) Corfu Port Authority SA, (ix) Port Authority of Patras, and (x) Heraklion Port Authority SA (collectively referred to as the "**Port Companies**" or "**Ports**").
- 1.2 Currently, the HR holds 74% approximately of the share capital of Piraeus Port Authority SA and Thessaloniki Port Authority SA, which are listed in the ATH.EX, and 100% of the share capital of the rest of the Port Companies.
- 1.3 In the context described above, the HR is seeking to employ a leading **maritime consultant** to act as its technical/commercial adviser (the "**Technical/Commercial Adviser**") in connection with the privatisation of the Ports described above and their port infrastructure (indicatively port terminals, container terminals, car terminals, cruise terminals etc) (the "**Port Infrastructure**").

2. Scope of the Work to be assigned

The HR aims at the optimization of its Ports and Port Infrastructure from a financial, commercial and operational point of view and the exploitation of its participation in the Port Companies through one or a series of business transactions (referred to as the "**Transactions**"). In this context, the proposed scope of work of the Technical/Commercial Adviser is expected to include, but not limited to:

- 2.1 Review, assess and elaborate the external and internal environment with regard to the Ports. This review and assessment should include:
- 2.1.1 Review of the Greek and regional macroeconomic environment with regard to the Ports and Port Infrastructure.
- 2.1.2 Review of any available data relating to the Ports and the Port Infrastructure.
- 2.1.3 Provision of a Market Review Report including, but not limited to:
- i. Overall market review and assessment of the ports industry;
 - ii. Review of regulatory regime for Port Companies and the Port Infrastructure;
 - iii. Key industry trends as well as demand drivers / stage of the industry in the respective markets;
 - iv. Detailed profile of organic market growth potential;
 - v. Historical and projected development of market shares;
 - vi. Competitive landscape;
 - vii. Competitor mapping (positioning of competitors, strategic direction, relative financial strength, etc.);
 - viii. Key success factors (with regard to customers).

- 2.2 Review, assess and elaborate on the current status of the Ports and the Port Infrastructure (Ports and Port Infrastructure Review) from commercial and operational point of view, including, but not limited to:
 - 2.2.1 Review, document and elaborate on all Port Infrastructure including indicatively location, catchment area and hinterland (for volume off take/ movement), age of assets, facility characteristics, equipment (capacity gantry cranes, outreach, gauge, speed, etc), physical description, hours of operations, staffing, etc.
 - 2.2.2 Review and elaborate on the Ports' positioning, strategy, situation, customers, management organization, etc.
 - 2.2.3 Review and assessment of operational efficiency.
 - 2.2.4 SWOT analysis.
- 2.3 A business analysis for the possible optimal combination of Ports into port systems from a transportation, economic and operational point of view.
- 2.4 Provide a proposal to the HR in the form of a National Port Paper (the "**Report**"), along with HR's other advisers, taking into account value maximization, optimization of investor interest and the need for a self sustaining and growing port network, for a) the optimal re-organization of the Ports regarding, indicatively, their commercial activities and possible corporate transformations and b) the optimal Transaction structures with their key assumption parameters and respective time-lines for their execution.
- 2.5 Together with the Ports' management teams and the HR's other advisers, develop the, appropriate business plans, financial forecasts and models for the Port Companies, , This task includes, but is not limited to the following:
 - 2.5.1 Review and elaborate development of revenues including tariff review by customer type.
 - 2.5.2 Review and elaborate on the Ports' historical and projected volume developments.
 - 2.5.3 Review and elaborate on the historical cargo and passenger traffic and the Ports' business plan assumptions (including relevant breakdowns by type, e.g. dry bulk, liquid bulk, container, etc).
 - 2.5.4 Review and elaborate on the historical development of types and volumes of ships and the Ports' business plan assumptions.
 - 2.5.5 Elaboration of detailed long-term forecast of traffic for each of the Ports, with breakdown of traffic (e.g. by cargo, passenger, ships, etc.)
 - 2.5.6 Review and elaboration of company contracts with shipping lines and other customers.
 - 2.5.7 Review and assessment of historical and planned capital expenditure programs.
 - 2.5.8 Analysis of key business and other risks, potential mitigants and upsides.
- 2.6 Provide support material and proposals as reasonably requested for the facilitation of the Government's approval process or other approvals that may be deemed necessary for the consummation of the Transactions.
- 2.7 Should the HR decide to proceed with any Transactions, prepare and submit a Vendor Due Diligence Report including relevant updates as may be reasonably requested from the HR. Potential investors should have the ability to rely on the Vendor Due Diligence Report.
- 2.8 Should the HR decides to proceed with any Transactions, assist, in co-operation with the HR's other professional advisers, in the co-ordination of the process from any preliminary/preparatory preparations to the final negotiation and consummation of the relevant Transaction(s), including but not limited to the following:

- 2.8.1 Assist in the preparation of marketing materials/ transaction documents based on the Vendor Due Diligence Report (e.g. the Confidential Information Memorandum) with the financial advisers providing commercial and technical items.
- 2.8.2 Evaluation and compilation of data room information, site visits and other data gathering.
- 2.8.3 Assist during the due diligence process by being readily available for Q&A sessions with potential buyers/investors and by providing answers to written questions of potential buyers in relation to the Vendor Due Diligence report or other technical / commercial matters.
- 2.8.4 Perform other technical / commercial advisory services as may be required from time to time.

3. **Necessary Qualifications**

The HR invites leading **maritime** consulting firms to express their interest in relation to the present assignment. Interested firms are kindly requested to submit an offer in writing, which should include the following:

- 3.1 Relevant experience in the sector. Experience in the Greek port terminal environment would also be appreciated.
- 3.2 Proposed team composition (and its proposed structure) including relevant experience of the senior members of the team during the last five (5) years.
- 3.3 Initial thoughts on the assignment, requirements and deliverables, including an indicative timetable for its implementation.
- 3.4 Proposed detailed fee level and structure including a cap for fees and expenses for the term of the engagement.
- 3.5 Robust financial standing proven by annual reports and audited annual (and interim, if any) financial statements, according to I.F.R.S. for the last 3 years.
- 3.6 Confirmation of ability to work with separate (multiple) teams of potential buyers/investors in implementing the Transactions.
- 3.7 Declaration in writing that they do not have a conflict of interest. Such restriction as to conflict of interest will remain in effect throughout the term of the technical/commercial adviser's engagement.

Duration of the engagement: 24 months or until completion of the Privatisation (the earliest of).

4. **Selection Procedure**

- 4.1 The award of the assignment will be made in accordance with the provisions of Law 3049/2002. The selection committee, which will be formed, shall receive and assess all offers that will be validly submitted. The assessment shall take into consideration the abovementioned in par 3 qualifications and requirements, the fee proposal, as well as the criteria mentioned in the paragraph 5 of the article 7 of Law 3049/2002.

The selection committee may require any clarification, addition or adjustment of the submitted offers as deemed necessary. Following the assessment process, up to three (3) candidates may be chosen for negotiation. Should the number of candidates that fulfill the abovementioned prescribed minimum selection criteria is less than three (3), the selection committee may - at its sole discretion - continue the procedure by calling on the candidate(s) that fulfill such criteria.

The negotiation will be made with each candidate successively and subject to the prior unsuccessful negotiation with the previous candidate.

- 4.2 The HR reserves, at its fullest exclusive discretion, the right to cancel, suspend, amend or postpone at a later time this procedure, without any prior notice, as well as to terminate any negotiations or discussions at any stage of the process, without incurring any liability whatsoever as against any participant and/or any third party.

- 4.3 Interested firms must submit their offer together with detailed CVs of the proposed team for the assignment and other documentation that prove the firm's and the team's experience and expertise, via e-mail at the e-mail address ssarp@minfin.gr, marked **"TWELVE (12) PORTS: INVITATION FOR EXPRESSION OF INTEREST FOR TECHNICAL/COMMERCIAL ADVISER"**. A hard copy of such offer may also be submitted, in a sealed envelope, at the offices of the SSARP (8 Karageorgi Servias Street, Athens, Postal Code: 101-84, 6th floor). The offers must be submitted no later than **October 20th, 2011, 17:00**, Athens time, irrespectively of the way of submission.