



**HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND**

Athens, 01/20/2016

PRESS RELEASE

A critical and very successful step for the HRADF and the Hellenic Republic has taken place today by the submission of a significantly improved binding offer by Cosco Group (Hong Kong) Limited for the acquisition of 67% of Piraeus Port Authority SA, within the framework of an international competition.

COSCO (Hong Kong) Group Limited, in response to HRADF's request, tabled today an improved offer for the acquisition of 67% in PPA, forming its offer to EUR 22 per share, ie EUR 368.5 million for the stake of 67%.

HRADF's Board of Directors evaluated the improved economic offer, taking into account the two existing valuations for PPA and decided to declare COSCO (Hong Kong) Group Limited as the preferred investor.

A major development and a very important milestone of the privatization program, in line with the commitments of the Greek Republic has been achieved successfully

The total value of the agreement amounts to EUR 1.5 billion and includes among others the aforementioned EUR 368.5 million offer, the mandatory investments amounting to EUR 350 million over the next decade and the expected revenues from the Concession Agreement for the Hellenic Republic, amounting to EUR 410 million. The total amount takes also into account the expected dividends and interest receivable by the HRADF as well as the estimated investments (apart from the mandatory) until the expiration of the concession, in 2052.

The transaction is structured in two stages: In the first stage, COSCO (Hong Kong) Group Limited will pay the amount of EUR 280.5 million to HRADF, thus becoming a 51% shareholder of PPA. After a period of five years, should Cosco fulfill certain conditions set out in the Share Purchase Agreement (SPA), including the successful completion of the mandatory investments, Cosco will pay HRADF an additional amount of EUR 88 million and will increase its PPA stake from 51% to 67% (second stage).

Hellenic Republic will also benefit from the dividend payments, related to its remaining stake of 16% , until the completion of the second stage, from the interest payments of the funds that



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will be deposited by COSCO (Hong Kong) Group Limited, as a guarantee for the acquisition of the remaining 16% of PPA, and from the dividend distribution for the remaining 7%, which the Hellenic Republic will own.

The tender envelope will be directly filed with the Court of Auditors for a pre-contractual control and the share purchase agreement (SPA) will be signed, following the Court of Auditors' approval

The completion of the transaction is subject to the competent authorities' approvals and the satisfaction of certain further conditions provided for the share purchase agreement (SPA)

Morgan Stanley and Piraeus Bank acted as financial advisors, Freshfields Bruckhaus Deringer LLP and Alexiou - Kosmopoulos Firm acted as legal advisors, the Hamburg Port Consulting (HPC) and Marnet acted as technical advisors on behalf of HRADF.

For more information and updates please refer to the Hellenic Republic Asset Development Fund's website (www.hradf.com).

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